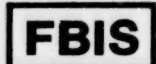


JPRS 80924

27 May 1982

# West Europe Report

No. 1970



FOREIGN BROADCAST INFORMATION SERVICE

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27 May 1982

## WEST EUROPE REPORT

No. 1970

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## PROGRAM OF NEW TACTICAL FIGHTER AM-X DESCRIBED

Rome RIVISTA AERONAUTICA in Italian Mar-Apr 82 pp 30-38

[Article by Col Antonio Rossetti\*: "AM-X--How and Why"]

[Text] The qualitative and quantitative composition of the Air Force's range of combat aircraft is determined by the institutional tasks of the armed forces and by the commitments taken on by the country within the framework of the Atlantic Alliance.

From these tasks effectively derive the operational requirements, which evolve continually and cyclically but in any case are in harmony with the Italian and NATO strategic concepts.

In military terms, the national strategic concept translates into the capacity to discourage the aggressive intentions of possible adversaries and to defend the national territory, the air space over it, and the supply lines at sea. In this conception, the air force is assigned tasks of defense of the territory and of the supply lines from enemy air incursions and of air support for the surface forces that operate to defend the territory itself and to keep the sea supply lines open. It is therefore necessary for the air force to have also at its disposal--in addition to the weapons systems designed for air defense and combating enemy aircraft, reconnaissance and remote interdiction in all-weather conditions--aircraft capable of operating in the battle area, behind the enemy lines and in the Mediterranean area, providing reconnaissance and fir support to both the ground forces and the naval forces.

The national strategic concept is integrated with the NATO strategy of "flexible response," which on the one hand requires conventional forces that are quantitatively sufficient and qualitatively capable of deterrence of possible aggression and of repelling it by the use of conventional weapons, and on the

---

\* Pilot Colonel Antonio Rossetti comes from the "Pegaso 2" course of the Air Force Academy. Among other assignments, he has commanded the 77th Squadron of the 2nd Air Brigade; subsequently he served in the 32nd Flight, where he was commander of the 13th Group and chief of the operations office. He has commanded the 2nd Flight CBR [expansion unknown]. In the 4th Unit of the SMA [expansion unknown], he acted as chief of the "weaponry" section and is presently chief of the Technical Development Office.

other hand requires weaponry capable of making the use of nuclear weapons, even tactical ones, for overcoming the resistance of the conventional forces, unacceptably risky to the possible enemy (because of possible retaliation).

The Air Force's operational requirements must therefore prove coherent with the concepts outlined above, especially as regards the conduct of tactical air operations, including those relating to support of ground and naval forces.

The origin of the AM-X program lies in this context.

To fulfill the tasks assigned it, the Air Force is provided with a combat line that is currently composed of the following aircraft:

--G-91R, a light tactical fighter (on line since 1958, it is proving obsolescent from the operational point of view, and its technical life will gradually end starting in 1982);

--F-104G, a reconnaissance fighter-bomber (on line since 1962; its technical life will end between 1985 and 1987);

--G-91Y, a light tactical fighter-reconnaissance plane (on line since 1970; its technical life will end starting in 1989);

--F-104S, an all-weather interceptor, possessing also good daytime ground-attack capacities with conventional weaponry. It began to come on line in 1969. In its interceptor role, it will maintain satisfactory operational validity until 1995, if its weaponry and navigation systems are adapted.

From this situation it is obvious that during the 1980's it will be necessary to provide gradually for modernization of the G-91 and F-104 lines so as to maintain the present level of air forces and consequently to be able to ensure to the national military instrument the maximum equilibrium in relation to the assignments indicated.

With the operational validity of the light tactical-fighter role verified and confirmed, in the light of the strategic concepts referred to above, the Air Force started in 1970 a study for rationalization of the "modernization" function in its combat-plane line.

This study, carried out with complex and partly original parametric methodologies, has been aimed essentially at deepening the concept of the multipurpose character of aircraft, through identification of the cost-effectiveness indexes relative to any possible coupling of operational role; at identifying both the optimal typification of the combat-aircraft line (that is, the qualitative definition of the line) and the possible solutions, taking into account the choices already made and the foreseeable resources that could be devoted to the specific sector; and finally, at working out the military requirements of the future aircraft, through a series of prefeasibility studies aimed at giving the necessary concreteness to the individual performance characteristics required and the maximum degree of compatibility among them ("trade-off").

In summary, this study made it possible to arrive at several conclusions. In the first place, that the specialization and multipurpose character of weapon systems is dictated exclusively by the necessity of obtaining the best cost-



effectiveness index in the composition of the entire combat line, in relation to the hypotheses of conflict and the resources available; secondly, that it is advisable to attribute to the multipurpose weapons systems and to the specialized ones an adequate level of operational flexibility--a level to be obtained, as much as possible, through a careful definition of the trade-offs among the most significant performance characteristics; and finally, that the short-range and medium-range support and interdiction role has to be filled with a specialized aircraft, of relatively limited weight and cost.

In the last analysis, the optimal typification of the Air Force's combat line, with the choices already made and the resources available taken into account, takes the form of three components:

- a line of all-weather interceptors based on the F-104S aircraft, whose avionics and weapons system are being updated;
- a line of all-weather intruders and reconnaissance planes, composed of the Tornado aircraft, with high self-defense capacities;
- a line of light tactical fighters, specialized for operations of direct reconnaissance and fire support for the surface forces but also suited for carrying out a complementary role, in particular tactical situations, in operations proper to the F-104S's and the Tornados.

In other terms, the study demonstrated that while the state of the art makes it possible to build a multipurpose aircraft capable of filling two or all three of the roles mentioned, the solution articulated on three distinct components proves extremely suitable in terms of cost-effectiveness; which means that the limit to the multipurpose character of a weapon system--understood as capacity to carry out distinct roles with equal indexes of effectiveness--is dictated and imposed by factors and evaluations of an economic nature. By this it is not meant that the F-104S, the Tornado and the AM-X are machines rigidly specialized for execution of the roles assigned to them; rather, it is desired to make the point that the three aircraft are optimized for carrying out the specific role assigned to them, while they also provide, as fallout from their particular characteristics--that is, without extra cost--good capacities for action in the other roles.

Only in this way is it possible to obtain, at acceptable costs, the maximum effectiveness in the entire combat line.

The Tornado, for example, which is a notoriously multirole plane (all-weather reconnaissance and penetration, air defense, close support), represents a necessarily limited component of the entire combat line, not only on account of its purchase and operating costs but also because of the fact that in terms of cost-effectiveness, the optimal use of that system is in combat missions against aircraft and not in close-support missions. That is why modernization of the two attack components of the combat line with the Tornado alone does not prove either rational or suitable, apart from the fact that it is not economically feasible because it is not compatible with the country's resources. The introduction of this aircraft on line will therefore make it possible only partially to solve the problem of maintaining the present level of the air forces.

## Operational Requirement

Taking into account, therefore, the full validity of the F-104S's for a good part of the 1990's (the interceptor line), and of partial replacement of the F-104G's with the Tornado (the all-weather intruder-reconnaissance line), there remain to be modernized the reconnaissance-fighter-bomber and the light-tactical-fighter lines--which, as already noted, are stocked with the F-104G, G-91R and G-91Y aircraft--starting in 1986.

This modernization involves eight groups, which constitute a little less than 50 percent of the strength of the entire combat line, specialized for the roles of direct support of surface forces and interdiction, and it will have to be done with an aircraft whose purchase and operating costs will have to be considerably limited vis-a-vis the corresponding costs of the MRCA [Multi-Role Combat Airplane].

With the structure of the future combat line thus identified, the problem was posed of checking out the possibility of buying or building an aircraft capable of meeting the "military requirement" formulated by the Air Force.

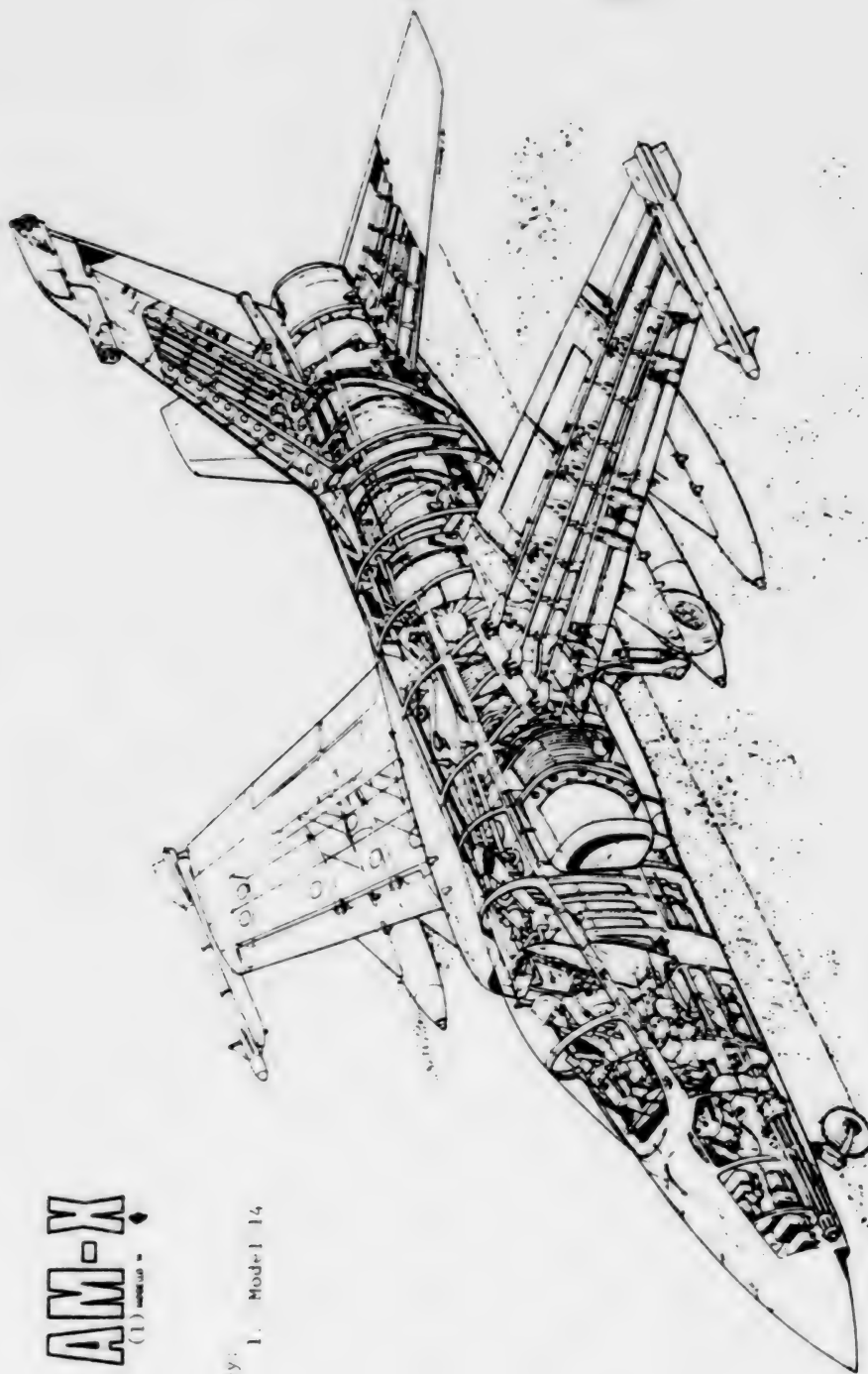
The document "military requirement for an AM-X light fighter-bomber-reconnaissance plane," published in 1977 and relating to both the operational philosophy and the principal features and performance characteristics that the future weapons system will have to provide, was handed over to the Aeritalia and Macchi firms for the working-out of a feasibility study and for analysis of the costs. Special emphasis was given to a series of elements aimed at orienting the development of the aircraft and its systems and components toward the area of "maximum survival," "minimum vulnerability," and "rapid repairability."

The aircraft design point that emerges from the military requirement can be significantly represented through the description of a "theoretical reference mission" in which all of the machine's performance characteristics have to be satisfied simultaneously.

The AM-X's reference mission provides for an armament load indicatively defined as 6 bombs of 500 lb each, 2 air-to-air missiles and 1 cannon in the fuselage.

In this configuration, the aircraft has to be capable of taking off from a runway or highway stretch of about 800 meters, reach and hit an objective at a distance of 180 nautical miles and return to base, using very low-altitude and high-speed (about 900 km/hr) flight profiles and employing the most up-to-date means of self-protection.

Simultaneously, within the Defense ministry there were conducted both a market study and a subsequent parametric analysis in terms of cost-effectiveness of six solutions consisting of foreign aircraft already existing or in the development phase (the Alpha-Jet, the HS-1182, the A-4, the F-5E, the Orao and the Jaguar) that on an initial evaluation appeared the closest to the AM-X requirement, and also an analysis of eight proposed aircraft that could be built by the Italian industry around an equal number of engines, available in the Western market for installation on the AM-X (F404, J79, TF34, Spey Mk 807, M45.2, Viper, RB-199, M53).



**AM-X**  
(1) Model 14

Key:  
1. Model 14



These analyses--done in a comparative manner, through individuation of significant parameters, construction of a mathematical model and intensive use of the computer--made it possible to evaluate the various solutions in relative terms in their aspect of correspondence to the military requirement, cost, effectiveness, and the cost-effectiveness ratio.

From the study it emerged that none of the foreign aircraft is capable of satisfying the military requirement of the Air Force or comes within the cost limits imposed by the armed forces, and that among the engines considered, the Spey Mk 807 is the most advisable overall, in terms of suitability, feasibility and acceptability, and furthermore results in considerable savings--in the area of use of the fleet--over the other solutions considered.

Subsequently, and in an analogous way, the choice was made of the M-61 Vulcan cannon to be installed inside the aircraft.

Finally, the evaluation of a overall study by the Aeritalia and Macchi firms on the feasibility--both technical and in terms of times and costs--of a project fulfilling the objectives of the military requirement, the choice of the engine and the choice of the cannon made it possible to proceed, on sure and specific bases, with the project-definition study. This study, with which the AM-X program substantially began, encompasses the design approaches selected in conformity with the state of the art and the technological know-how of the national firms, which can take advantage of, among other things, the experience acquired in their participation in international programs both civilian and military, the most important of which is the MRCA.

In summary, the basic premise that justified the startup of the AM-X program is represented by the objective of giving the aircraft a high degree of operational validity with decidedly limited cost. A further fundamental requirement is the necessity of ensuring that the new aircraft goes on line from 1986 on. These objectives are achievable not only by use of the industrial experience absorbed with the MRCA, as regards the airframe, but also through the purchase of apparatuses and systems already available on the market and with limitation of the development activity to integration of the various systems so as to purpose-direct the functions to the operational requirements.

#### Principal Characteristics of the Weapons System

The military requirement, the fundamental points of which have been mentioned, was defined with attention to the mission assigned to the aircraft, the especially severe threat in the environment in which the aircraft will have to function, the state of the art definitely available in the course of the 1980's, and the cost limits for purchase and operation of the system--limits that will necessarily have to be kept down for reasons relating to the cost-effectiveness of the operations that the aircraft will have to carry out.

For this purpose, special attention was devoted in the military requirement--but without neglecting other aspects just as important--to definition of the characteristics of the weapons system, especially as regards the navigation and attack system, the armament to be certified, survival, vulnerability and self-protection.

The aircraft will also be provided with adequate self-defense capacity and will have power and maneuvering characteristics suitable for taking on aerial combat in particular flight situations.

In its external lines, the AM-X is a single-engine single-seater aircraft with medium-high wing not crossing the fuselage, with lateral air intakes behind the cockpit, with horizontal tail plane composed of movable stabilizer and elevator, and with the vertical element composed of fixed fin and rudder. The entire tail unit is disposed in a low position vis-a-vis the plane of the semi-wings so as to minimize the down-wash phenomenon and thus ensure good stability even at high incidences.

The fuselage is characterized by form elements and installability designed both for maximum aerodynamic efficiency and optimization of the volumes and for meeting the requirements of easy maintenance and low vulnerability. The air intakes, of the fixed intake-angle type, are designed in such a way as to permit an airflow that is always adequate throughout the entire flight envelope with a view to optimal engine output, and are disposed in such a way as to minimize ingestion phenomena and give the pilot good side and rear visibility. The cockpit is located in a prominent position so as to permit good visibility forward ( $18^\circ$ ) and to the side, thus benefiting air-to-ground attack operations and aerial combat. The seat, of the Martin Baker M-10 type, permits pilot ejection at zero altitude and zero speed.

The wing, of moderate sweep-back and considerable thickness (supercritical), has ailerons and spoilers for lateral control and flaps on the leading and trailing edges.

The total internal fuel capacity is 3,850 liters.

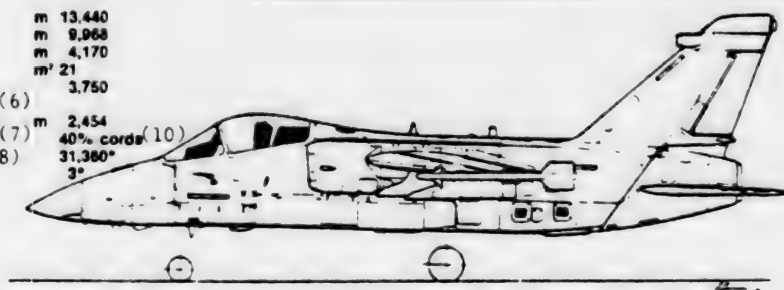
The aircraft has a total of seven attachment points for external loads, distributed as follows: two on the wing tips for two air-to-air missiles of the AIM 9 B/L Sidewinder type; four under the wings, capable of carrying dropped and launched armament and fuel tanks, and one ventral.

Almost all of the systems, installations and equipment are installed in bays accessible to a standing person and are disposed in such a way as to minimize maintenance and aircraft-readying times.

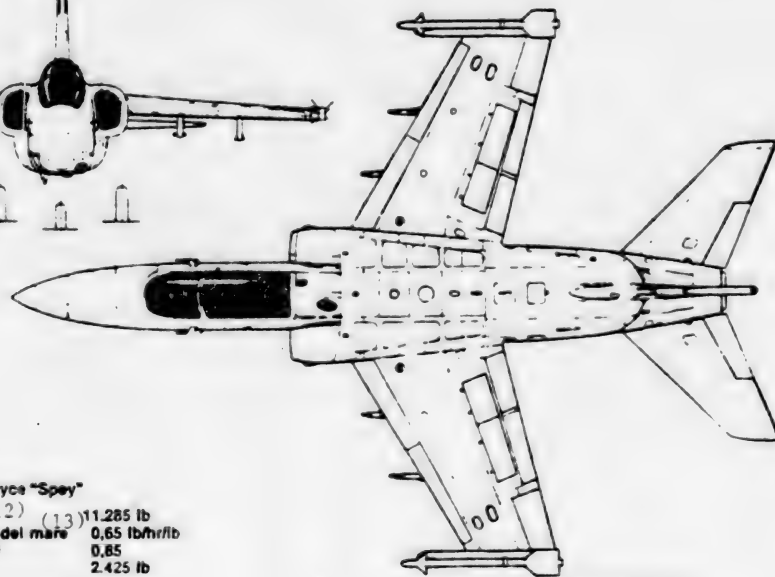
In the forward part are installed part of the avionics equipment, the front bogie in the retracted position, and the liquid-oxygen cylinder, along with the Vulcan M-61 A1 20-mm cannon. Below and to the rear of the cockpit are positioned the apparatuses related to the avionics, electrical and reconnaissance systems. This equipment, all accessible from the side through hatches for the purpose, are arranged homogeneously so as to minimize interference between the specialists in the maintenance operations.

Between the cockpit and the engine entrance are installed the pressurized and partially self-sealing fuel tanks; a sump makes it possible to take advantage of the gravity flow of the fuel and guarantees fuel supply to the engine even during inverted flight; there are three fuel pumps--two on alternating current

Lunghezza (1)	m	13,440
Apertura alare (2)	m	9,968
Altezza (3)	m	4,170
Superficie alare (4)	m <sup>2</sup>	21
Allungamento (5)		3,750
Corda media aerodinamica (6)	m	2,454
(teorica)		
Spessore massimo relativo (7)	40% corda (10)	
Freccia al bordo d'attacco (8)	31,360°	
Diedro negativo (9)	3°	



# AM-X



(11) Motore Rolls-Royce "Spey"	
Spinta al livello del mare (12)	(13) 11,285 lb
Consumo specifico al livello del mare	0,65 lb/hr/lb
Rapporto di diluizione (14)	0,85
Peso unitario (15)	2,425 lb

Key:

- |   |                                       |
|---|---------------------------------------|
| 1. Length                               | 8. Sweep-back at leading edge         |
| 2. Wing span                            | 9. Negative sweep-back                |
| 3. Height                               | 10. Chord                             |
| 4. Wing surface                         | 11. Rolls-Royce "Spey" engine         |
| 5. Aspect ratio                         | 12. Thrust at sea level               |
| 6. Aerodynamic mean chord (theoretical) | 13. Specific consumption at sea level |
| 7. Maximum relative thickness           | 14. Dilution ratio                    |
|   | 15. Unit weight                       |

and one on direct current--each of which is capable of supplying fuel to the engine. In the same zone are the main semibogies, of the equalizer-articulated type, the battery, and the gas generator for supplying air and for engine startup.

In the rear part are: the engine with integral gearbox and the related secondary power systems, the integrated packs for the hydraulic circuits, and the aribrakes.

### Structure

The structural architecture of the aircraft has been worked out in such a way as to guarantee maximum survival of any damage taken in combat by application of the fail-safe concept, and as was noted earlier, particular emphasis has been placed on accessibility to the on-board equipment and installations in order to simplify and accelerate maintenance work.

As of now, it is planned for the materials used to be of conventional type, with use of titanium limited to the parts for which it is advisable. In any case, application of advanced materials is under consideration and evaluation.

The dimensioning of the structure is based on two characteristic points: a maximum ultimate load factor of 12 g, as related to the combat weight of the basic configuration, and a fatigue life of 4,000 hours, with a dispersion factor of 4 and a load spectrum adequate for the use and level of performance characteristics anticipated.

### Engine

The Rolls-Royce "Spey" Mk 807 engine has been in service for several years now and is therefore of maximum reliability, and from the technological point of view, it is expected to be current for the next 10 years also. Designed and built initially without an afterburner, it is mounted on civilian airline planes; it has also been built in a military version with afterburner, used on the Phantom aircraft of the United Kingdom forces.

It is a turbofan characterized by low specific consumption, great strength and very high reliability, already proven in the course of several million hours of operation on many aircraft.

With the engine are integrated a gearbox that drives the electric-power and hydraulic generators, a low-pressure pump for the fuel, and an auxiliary power unit (APU) for production of gas, which makes it possible to start the engine without the use of ground support equipment (GSE).

### Fuel System

The fuel system comprises all of the internal or fuselage tanks, the wing tanks and the underwing tanks. A connection at convenient height is planned for rapid filling of the tanks--including the external ones--from a single point, and for emptying. Filler holes at suitable points also make it possible to fill the aircraft by gravity.

The fuselage tanks are of two types: flexible and self-sealing, so as to meet special vulnerability requirements; and integral in the zones that are otherwise protected or are not critical.

The wing tanks are of integral type; the underwing tanks can be connected to the aircraft's external pylons and can be dropped in flight.

#### Flight Control

The primary flight-controls system, which provides for three-axis control of the aircraft, has been defined in such a way as to satisfy the two points of the military requirement relative to capacity to continue mission with adequate maneuvering possibilities even after initial hydraulic or electrical damage, and to the possibility of return from mission even after double hydraulic or electrical damage.

These points have been met through reduplication and separation of the control and power lines and recourse to manual and emergency control for pitching and rolling.

Longitudinal control is provided by the two horizontal semiplanes composed of elevators and stabilizers. The longitudinal control acts, by means of two independent mechanical transmissions, on the elevators that are driven by two hydraulic actuators, each powered by an independent hydraulic circuit. The mechanical transmission lines are capable of transmitting the loads through manual operation--at least in a reduced flight regime so as to make return to base possible--and are equipped with an unblocking device to make it possible to maneuver even with one of the lines is blocked by a hit or damage. Artificial feel is achieved with a hydraulic spring. Longitudinal trim is achieved by actuating the stabilizers with electric motors, one of which, for emergency conditions, is commanded by a signal and a separate electrical line.

Dynamic response is optimized throughout the entire flight envelope planned by means of a pitch damper, insertable on demand by the pilot, that acts in series on the actuators on the basis of the control signal generated by a pitch gyroscope and elaborated by an electronic unit provided for that purpose.

Lateral control is obtained with a double system of ailerons and spoilers; this is because of considerations of effectiveness even at low speeds (in the presence of wide-span flaps) and to meet the minimum-vulnerability requirement. The system is built in such a way as to permit, in case of a single hydraulic breakdown, the loss of a single pair of spoilers (with the ailerons and the other pair remaining active), and in the case of loss of both of the hydraulic lines, manual control of the aircraft (by acting on the ailerons). Artificial feel is achieved by means of a spring system, while the trimming and roll-damping systems provide optimal piloting qualities throughout the entire flight envelope planned.

Directional command is achieved by transmission of the pilot's signal to the rudder through a mechanical line that acts on a double-body hydraulic actuator. In addition to the trimming system, a yaw damper is provided also.



## Landing Gear

The landing organs are composed of an orientable forward bogie with antishimmy feature and two main semibogies equipped with a normal and emergency braking system and an antiskid system. A hydraulic-electrical unit provides for the normal operations of the landing gear, while an emergency system makes it possible to lower it even in the event of complete hydraulic and electrical breakdown.

The landing gear is built in such a way as to permit: operations from semiprepared fields; operations from dry runways with crosswind component up to 35 knots; landing at vertical speed up to 12 ft/sec in the basic configuration and landing in safety for all the other configurations, including overload.

The radius of curvature for operations on the ground is 11 m.

## Avionics System

The avionics system is articulated in the following subsystems:

- communication and identification: VHF, interphone, Voice Recorder, IFF [expansion unknown], Secure Voice (planned only). The predispositions are compatible with the systems under development;

- autonomous and radio-assisted navigation: inertial navigator (IN), radar altimeter, SAHRS (Secondary Attitude and Heading Reference System), Air Data Computer (ADC), TACAN, possibility of installation of GPS (Global Position System) and MLS (Microwave Landing System). This system permits modes of autonomous navigation, radio-assisted navigation, and various types of navigation "fixing." The navigation data are presented to the pilot both on HUD (Head-Up Display) and on the HDD (Head-Down Display) instrumentation.

## Aiming and Release System

The system permits visual acquisition of the target, automatic or manual release of the external loads in ground attack and launching of the self-defense loads in air-to-air attack. The weapons and loads preselection and selection functions, release of them under conditions of safety in flight, and the related ground-control operations are managed through an SMS (Store Management System).

## Data-Processing

A central computer provides for processing and management of the data relative to the navigation and attack situations and for automatic control of the peripheral systems and of the processing units, identifying the presence of anomalies and notifying the pilot of them through alarm systems or indicating them to the monitor systems predisposed for the technical maintenance personnel.

## Weaponry

The navigation and attack system has also been worked out in function of the broad range of weaponry that it is intended to certify.

The internal armament consists of the Vulcan M-61 20-mm cannon, installed in the nose of the aircraft. As mentioned earlier, the aircraft is equipped with seven attachment points for external loads--six on the wings and one on the fuselage--with a total carrying capacity of about 8,500 lb (for various configurations: bombs, rockets, air-to-ground missiles).

The two wingtip rails are devoted to installation of air-to-air missiles.

#### Reconnaissance System

The reconnaissance system is articulated on four alternative sets of equipment: three of palletized type, installable inside the aircraft, and the fourth, an optronic pod, applied to the fuselage attachment. All four are compatible and can be installed without affecting the internal and external armament; the aircraft can therefore do photographic reconnaissance without giving up its navigation, self-defense and attack capacities.

The types of reconnaissance that can be done are visual with photographic confirmation, photographic, armed.

The system is characterized by high flexibility: it can in fact operate in "visual acquisition" in daylight or dusk light conditions and in favorable or marginal weather conditions with various types of observations.

#### Description, Articulation and State of the Program

In summary, the AM-X program is for the definition, development and production, within a national framework, of a new light tactical fighter--187 units in all. It is articulated in various phases corresponding to the definition study, the development and building of several prototypes, with the related flight tests, and finally, production.

#### Definition Phase

The definition phase involves first of all the choice of the basic aerodynamic solutions to be adopted (contour, sweep-back, wing thickness, type of controls) and conceptual definition of the avionics and the on-board armament, not only in functional terms but also in terms of level of capacity, reliability or redundancy, and, of course, optimization of the aerodynamic, architectural and structural solutions in relation to the engine considered, overall, the most suitable and corresponding most closely to the cost-effectiveness concept set out in the military requirement.

It is stressed that the choice of the engine (Rolls-Royce Spey Mk 807) had to be phased with the state of advancement of the definition phase and proved decisive for the purposes of completion of the phase itself, which, to summarize extremely, represents the design study optimized around a specific engine.

#### Development Phase

The development phase involves the building of six prototype aircraft and the progressive and complete testing of them. This phase is in turn divided into two subphases; the first provides, among other things, for construction of four of the six prototypes.



## Production Phase

This phase involves the building of 187 series aircraft. As regards the times, the program was initiated in 1979 at the conclusion of the preliminary and feasibility studies and with the startup of the definition phase.

The definition phase was concluded with a positive outcome in 1980, while the first subphase of the development phase began in 1981. In brief, the program is proceeding regularly.

As regards the interconnection among the phases, it should be pointed out that complex programs such as the development of a weapon system necessitate superimposition of the phases (definition, development and start of production), mainly in order to keep the costs down, avoiding breaks in the industrial activities. To put it differently, a strictly tandem sequence between the end of one phase and the beginning of the next one would result in a lengthening of the total times that would be absolutely unacceptable, both for the purposes of the operational validity of the machine produced and because of the negative effect on the total project costs. From an industrial point of view, tandem sequence of phases would entail discontinuities of work, inasmuch as each phase is characterized, as it draws to an end, by a decrease in quantity of activity, and such discontinuity of use of the technical departments and the skilled trades could not help but have very negative effects for the customer itself.

As precautionary and preventive measures for reducing to the minimum the area of uncertainty that could be connected with the superimposition of the phases, a number of control points have been established in which are evaluated those results of a certain phase which, even if not conclusive, are representative enough for evaluating the advisability of starting up the succeeding activity. In particular, in the course of development two control points are provided for on the part of the competent technical organs and the Air Force: one by 1983, for evaluating the initial tests, for the purpose of deciding on continuation of the development of the weapons system, and one by 1984, for evaluating the ground and flight testing of the prototypes and the installations, for the purpose of deciding on the startup of production.

The time schedules planned for the successive significant phases are as follows: a development phase divided into a first subphase already started in 1981 and to end in 1985 and a second subphase to start in 1983 and end in 1987; and a production phase that will cover the period 1985-1991.

As can be noted, the production phase is being started, in accordance with the logic of phase superimposition, ahead of the end of the development phase--that is, at the time by which it will be possible to have reliable, if not definitive, results for proceeding with the subsequent activities.

On the basis of the schedules indicated, it is planned that the first prototype will make its first flight at the beginning of 1984, while the entire cycle of experimental tests, carried out with all the prototype aircraft, should conclude between the end of 1986 and the beginning of 1987. The phase aircraft, though, should begin to go on line at the end of 1986-beginning of 1987, and

production should end with completion of the purchase of the 187 series aircraft around 1991.

Because of the interbranch operational interest that the AM-X program presents and the magnitude of the financial burden necessary for carrying it out, it figures as a typical "major program" to be set within a harmonic context of the Italian military instrument. It has therefore been presented and discussed within the competent bodies: the Committee of Chiefs of General Staff and the Higher Council of the Armed Forces - Aeronautical Section, which has approved it. Both have recognized its necessity, high importance and high priority. The Defense Committees of the Senate and of the Chamber of Deputies have also been informed about the program and its startup on several occasions, by the minister of defense and the chief of staff of the Air Force (both of them hold their positions on a temporary basis).

In addition, as regards the technical-administrative procedures, the various contract drafts relative to the definition phase, approval of the Spey Mk 807 engine, the first development subphase and the first batch of four prototype aircraft, as well as purchase of engines for the purpose of experiments with them, have been presented to the Committee for application of Law No 38.

#### Economic and Financial Aspects

As regards the costs of the program, it is noted the the project-definition phase, including the engine-approval process also, entailed expenditure of about Lit 21 billion, already allocated in fiscal years 1979, 1980 and 1981.

With the development phase--divided into two subphases, as stated above--the expenditure for purchase of 11 engines (Spey Mk 807) for the prototype aircraft should be noted also. The partial expenses are as follows:

- for purchase of 11 engines: about Lit 32 billion;
- for the first subphase of development (including furnishing of the first batch of four prototype aircraft): Lit 350 billion;
- for the second subphase of development (including the second batch of two prototypes): Lit 120 billion.

It is noted that the Lit 470 billion cost for the entire prototype-development phase has been defined on the basis of the bid agreed on by COSTARMAEREO [expansion unknown] with the prime-contractor firm (Aeritalia).

#### Considerations

With regard to the production phase, it is noted first of all that in the case of complex and articulated programs such as the AM-X, with various phases (definition, development and production), a sound definition of the costs can generally be made only phase by phase. Therefore, while the cost data relative to the definition and development phases are available, inasmuch as they are based, as stated above, on bids agreed upon, it will be possible to define those relative to production only at the time of the bidding--that is, toward the end of the development phase.

Analogous considerations hold true for the unit cost of the series aircraft (production phase). For the moment, it is possible to indicate the costs on the basis of the overall estimates deriving from the prospective analyses. In this regard, a fundamental restriction established in the formulation of the requirement and in the general postulation of the program serves as a useful point of reference: i.e., the restriction that the AM-X not exceed a certain ratio (not over one-third) vis-a-vis the MRCA, as regards purchase and operating costs.

In relation to this postulate, the unit production cost of the AM-X, on the basis of cost analyses done in 1977, was estimated at the end of 1979 as being on the order of Lit 5 billion in terms of January 1980 lire (and on the assumption of production of about 200 aircraft). On the other hand, if the economic limit imposed is held to very rigidly in the foreseeable future budgets, it is also true that it has an intrinsic validity and complies coherently with the parametric cost-effectiveness analyses done, which indicate an aircraft of relatively low weight and cost as the means with the most suitable cost-effectiveness index for carrying out the roles assigned to it.

This concept has justified the decision to start up the AM-X program instead of committing the corresponding economic resources to the purchase, for example, of a further lot of Tornados in addition to the quantity planned. This alternative, indeed, in addition to providing a combat line with a lower overall intrinsic output, would be made unachievable by another limit that the Air Force could not in any case overcome: we refer to the operating costs for the combat line, on which production and the availability of flying hours and concomitantly the training of the pilots increasingly depend.

Regarding the financing, it is worthwhile to note that the AM-X program is not among those included in the promotional law for the Air Force (Law No 38/1977), which instead related to the programs for the MRCA and MB-339 aircraft, the Spada surface-to-air missile system and the Argos 10 radars for the air-defense system. We add that the AM-X program, though a priority one, was not taken into consideration in the abovementioned law because at the time it was still in the study phase and therefore not sufficiently consolidated for its official startup.

The program was therefore started (definition phase) with Armed Forces funds, on the assumption that Air Force extrabudgetary funds could be used. Indeed, in line with the recognition of the AM-X as a program of great interbranch interest and decisive effect on the military instrument, as well as in consideration of its very high priority, the Committee of the Chiefs of General Staff, in their definition of the 1981 budget, granted the first funds for startup of the development phase.

On the other hand, the financing relative to the development phase represents the point and at the same time the reason for the relation between the AM-X program and the well-known draft bill on scientific research, which--after the examination by the Prime Minister's office--it is presumed will be submitted to the Parliament as soon as possible. In the abovementioned draft bill and in the illustrative report related to it there does indeed appear, together with

EI [Italian Nuclear Electric (Industry)] program and with a program of the MM [Navy], the "development of the AM-X," thereby signifying that the insertion of the AM-X program is understood only for the purposes of its financing.

With approval of the draft bill, it is trusted that financial coverage of the development of the AM-X will be ensured. Since in this article we cannot go in detail into the various reasons why it has not been possible to seek out consortium-type solutions in the European field, as regards the possibilities of collaboration (apart from that with Brazil, which will be referred to later), it should be stressed that the Swedish Air Force has also formulated a requirement substantially similar to that of the Italian Air Force and has carried out an inquiry (which, in truth, has not led to concrete results) to identify areas of possible cooperation between the two countries.

The collaboration with Brazil began toward the end of 1979 as a result of the interest shown by the representatives of the Brazilian Air Force in the Italian project and after the necessary approaches by the minister of defense and the minister of foreign affairs. On 21 March 1980, a "declaration of principles" was signed in Brasilia by which the two governments committed themselves to checking out the mutual suitability of starting up a joint program from the development phase on. The studies carried out have confirmed this suitability.

Thus memorandum of understanding (MOU) No 1 was agreed upon, establishing the general guidelines and the modalities of implementation of the collaboration program. MOU No 1 was signed by the representatives delegated by the governments of the two countries in Rome on 27 March 1981. Subsequently (in Rome on 7 October 1981), MOU No 2 was signed also, relating to the definition phase for the Brazilian version of the aircraft and the clauses on the economic commitment that Brazil will have to take on for this phase. Further MOU's are anticipated that will govern Brazil's gradual insertion into the development phase until it is fully aligned with the program and the future joint activities.

In view of the fact that the percentage of Brazil's participation, on the basis of its aircraft needs (79) vis-a-vis the Italian needs (187) is 30 percent, the joint program will give both countries adequate advantages, both as regards the magnitude and quality of the investments--considering also the fact that Brazil has a highly qualified industry in this sector--and as regards the prospects for the Italian industry's assertion of itself in the world market, added to which are the possibilities that the partner country will be able to develop in its own area of influence, which would indirectly favor Italy also.

#### Complementary Motivations

Several further considerations of a more general nature merit a brief reference, relating to the industrial, employment and financial sectors, which--beyond the strictly technical-military motivations so far discussed--have underlain the decision to proceed with the AM-X program.

From these angles too, the AM-X program can be of considerable substantial interest to the country. One must take a look, even if only a superficial one, at the past of the Italian aeronautical industry in order to be able to compre-



hend its present situation and the lines of future development. The national aeronautical industry, which up to World War II had built up a prestigious tradition, found itself in the postwar period having to catch up on a considerable technological gap that rapid aeronautical progress, characterized in those years by the operational advent of the jet, was widening every year. The process of revival was slow, and in any case was in line with the country's economic potential. It began with the overhauling of the aircraft received from the United States under the MDAP [Mutual Defense Assistance Program] and developed, in broad outline, with the building of the G-91 (which won the NATO competition for the light tactical fighter), with Italy's participation in the European consortium for production of the F-104G under license, with initial participation in the VAK-191B consortium program, with development and production of the MB-326 and the G-91Y, and finally, with production of the F-104S under license.

The experience acquired during this process made it possible to participate in the MRCA program from the development phase and made it possible--through the MRCA program itself--to bring the know-how and technological level of the Italian aeronautical industry up to the European standard.

Now the program under discussion comes--as regards development--in a period of time that follows the cessation of the engineering activities on the MB-339 and Tornado aircraft and in which the activities relating to development of the future interceptor to succeed the F-104S have not yet started. A period of inactivity in the industry's design sector, after the growth achieved in the last decade, would entail dangerous trends toward atrophy that in the 1990's would dissociate Italy from the other technologically advanced countries and would open up a dangerous technological gap that would tend to preclude the possibility of active and full-fledged collaboration with other partners, for the development of future programs of bigger technical and economic dimensions than the AM-X (for example, the successor to the F-104S).

Analogous atrophy would extend to the entire range of the minor industries in systems, components and accessories. According to a COSTARMAEREO estimate, the AM-X development activities will entail 8 million hours of work, as against nearly nothing in the case of reproduction of a foreign aircraft under license.

In addition, the program prevents breaks in the continuity of industrial production activities; it supplements the production of the MRCA, the MB-339 and the G-222 and ensures about 52 million hours of work covering all the activities of production and support (spares). It also meets the criterion of making use of the national market when it is capable of furnishing a product that fully meets the requirements established; and finally, it does not--in contrast to what has happened with other, nonautonomous programs--rule out maintenance of the market won by the industry abroad, so that there is the prospect of lowering the unit production costs and consequently raising the cost-effectiveness index of the solution adopted.

For these reasons, the AM-X program, if carried out within the time and cost limits indicated by the Air Force, not only solves in the most economic manner the primary problem of maintenance of a well-balanced and credible military in-

strument (as stated above, it involves the modernization of about 50 percent of the entire line of combat aircraft) but also constitutes an operation that is well-centered, harmonic and suitable from the country's economic-industrial, financial and social points of view also, permitting the best exploitation of the resources usable by Defense for modernization of its own means.

11267

CSO: 3104/197

## ACTIVITIES, CONTACTS OF KOPP, BREGUET REVIEWED

Hamburg DER SPIEGEL in German 26 Apr 82.pp 146-147

[Article: "Old Customer"]

[Text] Two "Carlos" accomplices were standing trial in Paris. Even France is increasingly becoming a target of terrorist activities.

In the underground garage at Avenue George V in Paris, a couple was manipulating its conspicuous car, an ancient Peugeot with brand new license plates. The parking guards also noticed that the two did not have a parking ticket. And when they tried to detain the pair, the man pulled a gun. It did not go off, but the two got away.

Soon thereafter the police succeeded in catching the garage duo. Once again the man pulled his gun, again no shot was fired and thus the two were arrested. The police discovered that they were carrying two bottles filled with gas, 5 kilograms of the explosive "penthrin" and a detailed map of the surroundings of Paris' city hall.

The amateurish behavior of the terrorists fit the picture that the police had put together from sparse documents about the two suspects. The man, 32-year-old Bruno Breguet from Switzerland, once caught attention as an explosives courier for Palestinian guerrillas--in spite of the heat in the Near East he wore a coat to hide the contraband--and spent 7 years in an Israeli jail. The only thing that was known about the woman, 34-year-old Magdalena Kopp from Ulm, was that during the 1970's she maintained contacts with the left-wing underground in Hesse. Consequently, at first Paris classified the prisoners only as foot soldiers of the guerrillas.

This assessment was not changed until mysterious direct links with the Corsican terror scene became apparent. Furthermore the confiscated explosives were of the same variety that in 1980 killed four people in front of the synagogue on Rue Copernic in Paris, an attack which has also been attributed to right-wing extremists.

Finally, on 26 February, 10 days after the arrest, a threatening letter from the legendary terrorist "Carlos" arrived at the French embassy in The Hague. It identified--proof consisted of two thumb prints on the margin of the letter



--the two as "members of my organization" and demanded their release within a month. Otherwise "brutal" measures would be taken.

Since then the French public is fearfully awaiting the threatened reprisals. There have already been several mysterious attacks. In Beirut a killer shot and killed two French embassy employees. In Vienna bombs exploded simultaneously in front of the Air France office and the French embassy. In a Paris-Toulouse express train an explosion killed five people. All these attacks occurred after "Carlos'" ultimatum had expired. In none of the cases, usually obligatory, a letter arrived clearly identifying those responsible.

On Thursday last week, when an Opel with Vienna license numbers blew up in front of the building of the Lebanese exile paper "AL WATAN AL ARABI" on Rue Marbeuf, it looked like pictures from Beirut" destroyed facades, burning cars, screaming people--63 people were wounded, one woman died.

Paris authorities believe that the car bomb was intended for the exile paper, which is feuding with the Syrian government, and expelled two Syrian diplomats on the same day. A few things, however, are also pointing to the "shadow of Carlos," something which Paris newspapers had already figured out. The preparation, for instance: The car carrying the bomb had been rented in Yugoslavia by a woman with a forged Swiss passport. Or the time of the explosion: 9 o'clock, the beginning of the process against the "Carlos" people.

They were spared an indictment for attempted murder--although it had been expected because a gun was involved in the scuffle that developed during the arrest. But the sentences for possession and transporting of weapons and explosives were quite severe: Five years for Breguet, 4 years for Magdalena Kopp.

The most recent wave of terror against France, where to date almost all incidents involved only militant foreigners settling debts among themselves, caused turbulences in the country that affected several levels simultaneously:

--The security authorities were alarmed when they noticed that "Carlos," who had been inactive since 1975 when the OPEC ministers were taken hostage in Vienna, is apparently back in operation--but for the time being it is not clear where he will strike;

--France's antiterrorist forces were apparently not aware of the intensity which brings domestic and foreign guerrillas together, forming changeable alliances and attacking French targets;

--France's liberal attitude toward political refugees--Prime Minister Mauroy: "We want to be a sanctuary"--is severely strained because of extensive domestic and foreign criticism;

--Because of the "Carlos" ultimatum in the Breguet/Kopp case, France's criminal authorities now find themselves in a situation where they are forced to act: A pragmatic solution (for instance: mild sentence, quick deportation) was out of the question because it could result in a loss of face.

On the domestic-policy scene consequences are already visible. Last but not least, under pressure from conservative politicians and newspaper concerns, Minister of the Interior Gaston Defferre initiated the expansion of police powers. Furthermore, the minister of justice is feeling more and more pressure to increase enforcement by his agency of a practice based on his principle, according to which France is "a sanctuary, but it is neither a territory for retreating or an operational base."

To date these groups have been tolerated in France or, at most, they have been persecuted pro forma, but now they are beginning to be a burden, at least politically. Iranian opponents of Khomeyni, opponent of the onetime Iranian regime, publish regular press communiques with information on the "latest actions," the Polisario which is engaged in a civil war with Morocco grants press conferences, the Democratic Front for the Liberation of Palestine, originator of bloody attacks during the 1970's, presented a buffet last week with book tables, popular music and calls to fight Israel.

For a long time little attention was paid to German guerrillas, who always preferred to hide in France, and in case of arrests there was always a lot of back and forth as well as expense before they were extradicted to German criminal authorities, if at all. High security sections that also existed in French prisons before they were abolished by the socialists, however, were primarily reserved for enemies of central state authorities--Corsicans, Basques, Bretons. This clean separation of terrorism between concrete danger to France internally and less relevant, outside activities somewhere else is only now dissipating.

Magdalena Kopp had in her possession a forged Italian passport, an FN pistol as well as a Paris-Augsburg train ticket. German security authorities know only a few details about her. The last sign of life was a postcard mailed in 1978, postmarked in Bombay. There is no warrant for her arrest, although proceedings are under way because of her membership in a terrorist organization. At one time she lived with Johannes Weinreich in Frankfurt. He was an employee at the publishing firm "ROTER STERN" [Red Star] and an old customer of the National Security Agency. Already in 1971 his telephone was tapped--for suspicion of supporting the Baader-Meinhof gang.

Weinreich's connections with the guerrilla underground seemed to go in many directions. He is suspected, for instance, of renting the getaway car for the Palestinian guerrillas who in 1975 aimed a rocket at an El-Al plane at Paris' Orly airport; instead, however, they struck a Yugoslav jet. The organizer of the enterprise: "Carlos." In 1975 Weinreich was placed in preventive detention because of the Orly incident. Eight months later he was released because of illness and in 1978 he was registered one more time at the German-Dutch border. Since then he disappeared without a trace.

At the present time, the French consider Weinreich "the most dangerous man in Germany and perhaps even in Europe." This view was expressed in the magazine "VSD," based on police suppositions. His name comes up again and again, always in connection with actions that are attributed to "Carlos" activists.

"Carlos" was considered the leader of the "Kommando Mohammed Boudia," which carried out acts of violence during the early 1970's at the instigation of the Popular Front for the Liberation of Palestine (PFLP). There were also several Germans in the PFLP, for instance, Wilfried Boese, friend and colleague of Weinreich's at the ROTER STERN, and Brigitte Kuhlmann (alias Halimeh); both of them participated in the hijacking of an Air France Airbus to Entebbe and were probably killed during the rescue of the hostages by an Israeli commando. The name of "Martyr Halimeh" was later adopted by the kidnapper commando of Mogadischu.

Among the PFLP commandos are undercover guerrillas from various European countries, including Bruno Breguet, the son of a Swiss businessman from Locarno. He moved to Berlin at the end of 1978 after his release from prison in Israel. When his residence was searched, notes were found about joint enterprises by PFLP adepts. After the names were decoded, the list read like a who is who of the "Carlos" troop--from "Steve" Weinreich to "Bonni" Boese and "Vera" Kopp.

French security agencies are of the opinion that Breguet, who is involved in many alliances, may possibly be a link in the overall coalition of the terrorist underground, which is proof for the thesis that freedom movements friendly to Moscow--like the PFLP--definitely are also cooperating with fascist forces.

Dubious contacts of this kind have already been proven for the PLO, which made a pact with the Wehrsportgruppe [military sport group] Hoffmann or even with Udo Albrecht, the colorful neonazi who escaped from the West German police to the GDR, from where, conspicuously, he was not extradicted (SPIEGEL No 37, 81).

During his trial in Israel and later attempts for his release, Breguet was defended by Francois Genoud, a banker from Lausanne. During the war Genoud was considered an informant for the German resistance, he knew important nazis and after the war he published nazi literature. The French NOUVEL OBSERVATEUR called him: "A nazi banker."

His liking for the Palestinian cause became apparent as early as 1969, when he supported the defense of Arabic guerrillas who were brought before the court in Winterthur for an attack. Jacques Verges, their Paris lawyer, a firm supporter of liberation movements ("I defended already during the war of Algiers"), however, objected at that time to the nazi-affiliation of his mandate.

As far as the Paris MONDE is concerned, however, the current trial against Breguet, Genoud's protege, raises "anew the question about the connection of various terrorist groups with the neo-Nazi milieu." One reason, last but not least, is the fact that the person who came to the defense of Breguet is again Maitre Verges.

## MUMCU ASSAYS LEGAL BATTLE AGAINST SMUGGLING

Istanbul CUMHURİYET in Turkish 9 Apr 82 pp 1, 9

[Article by Ugur Mumcu: "Who Are the Collaborators"]

[Text] There are provisions in our penal code regarding what we may call "organized crime" whereby criminal accomplices who confess or provide information about crimes they have committed get reduced sentences. Passages in the renowned articles 141 and 142 of the penal code, for example, provide for a reduction of sentence for those "who inform the authorities about the crime and other acts up until the time of opening the final investigation." Then article 170 says that sentences will not be given to those "who provide information leading to the arrest of accomplices after investigations have begun." Article 59, in considering causes for lighter sentences, takes confessions into account also.

Article 404 on facilitating the use of narcotic substances provides for special reductions for "those who, after knowledge has been obtained of these crimes, provide service and assist in exposing the crime or in the arrest of accomplices." Article 49 of Law No 1918 "Pertaining to the Prevention and Pursuit of Smuggling" says that "a person who has participated in a smuggling crime" will not be sentenced if he provides information on these crimes "before knowledge is gained by the government officers."

All of this is bargaining in which the state is obliged to engage with suspects. As a result of this bargaining, either commission of the crime is prevented or the suspected perpetrators are arrested.

There was a time when it was thought appropriate to introduce similar provisions for armed offenses. A bill was drafted for this purpose prior to 12 September 1980, but it was scorned with harsh accusations of being an "assault against Justice." After a while, the bill was put aside and forgotten. We would imagine the text of it is around somewhere in the Justice Ministry's files.

The state thus offers rewards and conducts bargaining for the prevention of certain crimes and the due process of crimes committed. Similar provisions appear in almost every country's penal code or in others of their laws involving sentencing.



It is difficult for the state to find the brains behind those who commit social and organized crimes. Who, what sinister headquarters led all these people into armed actions? All these guns, these rifles, pistols and ammunition, worth billions on the market, who brought them into the country? We still do not have the answers to these questions. If the state cannot find the answers to these questions, each incident will remain a self-contained "case on the police blotter" and it will be impossible to get to the source, the grassroots.

We hear that certain suspects in smuggling cases have been to the authorities with very interesting stories in which they explain "bribery companies" they have set up in the big cities and how they buy off a lot of public employees.

Who are they?

The authorities and the top leaders of the country certainly know who they are. One cannot overlook the fact of Evren Pasha's speaking of bribery right after mentioning the "struggle against smuggling" in a speech in Bursa or his saying, "We will hold those who do this accountable, no matter who they are."

Yes, they will be held accountable!

In crimes by nature committed "en masse," such as organized crimes involving terrorist actions as well as arms smuggling, it would in any case be most beneficial to have legal provisions facilitating confessions.

Moreover, it will be necessary to establish "specialized courts" in one or several provinces, with special jurisdiction over arms smuggling crimes.

We think the time is right for important confessions in terrorist actions and smuggling crimes, that there have been some and will be more. Legal arrangements in this regard ought to be made as soon as possible, without delay, and these legal arrangements ought to facilitate further these confessions.

We wonder if the smugglers have given and will give the names of those public servants who have cooperated with them? We do not know, but, as Evren Pasha said, they will account for it "no matter who they are." We believe this.

The world which has no time for "Sultan Suleyman" has no time for these bribe-takers either. Let no one worry about that. The day is coming when the accounts will be demanded of the most secret connections.

This account will be demanded, this account...will...be...demanded!

8349

CSO: 4654/275

## BRIEFS

NORDIC ELECTRICITY COOPERATION TIGHTENED--Four Nordic enterprises in the area of electricity will tighten their cooperation. Through this cooperation these enterprises will now be able to offer installation and maintenance services to various equipment manufacturers in all the Nordic countries. The Sahkolahteenmaki Company of Finland is a part of this cooperation. The Scandinavian Electrical Contractors Company or Seconik as this group is called intends to offer installation and maintenance services with the use of industrial robots, for example. In addition to Sahkolahteenmaki, Seconik includes Sonnico A/S from Norway, Elektro-Montage Ab from Sweden, and Kemp & Lauritzen A/S from Denmark. As the basis for their cooperation the companies have a total annual sales of nearly 1 billion markkas as well as a total of 2,700 employees. This cooperation will form a Nordic domestic market area from the point of view of the manufacturers of electrical equipment. "The need for such services has increased along with the increased level of internationalization. Each Nordic country has highly developed electrical and electronic equipment for use by industry and commerce. The installation and maintenance of this equipment causes problems since not all the manufacturers of this equipment have their own maintenance network in each country," states Managing Director Jukka Lahteenmaki of Sahkolahteenmaki. [Text] [Helsinki HELSINGIN SANOMAT in Finnish 14 Apr 82 p 29] 10576

## ENEL'S PROGRESS IN ITS COAL CONVERSION PROGRAM

Rome RASSEGNA PETROLIFERA in Italian 9 Apr 82 pp 328-329

[Text]

The board of directors' planning document, from which the following information was taken, defines the national electric utility company (ENEL) position on coal.

Dealing with the goals of reducing dependency on oil and of diversifying primary energy sources, the document maps out several major guidelines, which may be summed up as follows: heaviest possible utilization on a priority basis of domestic hydroelectric and geothermal energy sources, intensive shift to coal (in existing plants through conversion to coal as a fuel for plants now operating on oil and in new plants designed to burn coal), use of extra-heavy crudes (not suitable for cracking, and thus to be considered an alternative to oil) and of mixtures of oil and coal, reliance on nuclear power up to the limits set by the resolution passed by Parliament on 5 October 1977, as well as experimentation with renewable energy sources: solar, wind, urban wastes, etc.

Use of coal in ENEL's power plants has already made remarkable strides over the past years -- up from 2 million tons in 1978 to 5 million tons in 1980 -- and will make still more when the Brindisi and Milazzo plants are converted to coal and when the new generating plants specifically designed to use coal come on line. Enel's plans call for coal consumption of better than 30 million tons a year by 1990.

A new coal supply policy stems from the magnitude of the commitment. It must provide the requisite guarantees of availability, deemed essential for providing reliable electric power supplies and for keeping management costs at a minimum.

The board of directors plans to pursue a policy of practically exclusive supply contracts with mine operators, given the undesirability of any middleman involvement in a specific product, such as steam coal, which requires only transport from the mine to the plant for utilization (completely omitting the refining process necessary with oil).



In addition, the board, in view of the expansion of ENEL's mission under PL 309 (15 June 1981), will consider the advisability of direct part-ownership of coal mines by ENEL, possibly in combination with other Italian companies, partly as "insurance" against possible further increases in coal prices.

The board also saw fit to underscore the fact that implementing its coal policy, in view of predictable rises in the use of this fuel for industrial and municipal purposes, implies provision of a very massive infrastructure as the sine qua non for its success.

First of all, the nation must build a number of first-class coal port facilities capable of providing adequate offshore anchorage for large-capacity ships, as well as for storage and switching to meet requirements in various parts of the country and possibly in other parts of the Mediterranean area.

ENEL's increased coal consumption, already under way and planned for the current year (as much as 6 million tons) has required organizing seagoing and domestic transport relying on the existing infrastructure. New conversions (Brindisi and Milazzo) and new plants will mean working to specific plans which will be an integral part of plant design as a whole and will be one of the key factors in siting. In all such planning there must be due allowance for the need to help solve the problem of coal shipment to ENEL's smaller plants as well as the big ones (the plants connected with long-distance heating projects, for example) and, in particular, to other companies' industrial and long-distance heating plants: this will arise mainly in the Po Valley, with the need for at least two approaches, which it would be best to decide upon in concert with local governments and industry.

Lastly, the board found that, in view of the fact that when ENEL's plans for new plants are fulfilled, it will become the prime Italian consumer of coal, some of the infrastructures for the coal system must be built and managed by ENEL itself; in the balance of them, which will involve various and sundry users for disparate ends, ENEL must contribute to a degree concomitant with its share of interest.

On the matter of utilization of coal from the Sulcis mines -- a fuel that is notoriously lean in caloric yield, rich in sulphur, and has a high ash content -- which the National Hydrocarbons Agency (ENI) is considering for use in a pit-head coal gasification plant to produce methane, the board pledged ENI's readiness to buy some Sulcis coal for use in local plants, particularly over the interim between the resumption of mining operations and the startup of the planned gasification plant.

So broad a commitment in the coal sector will also call for coordinated approaches to research and development -- as well as environmental -- policies.

Research and development plans relating to coal have to do with:

-- systems which increase coal's mobility and facilitate its utilization even in existing plants: oil-coal blends, water-coal blends, new mixtures that may be developed, pre-treatment of various grades of coal, etc.;

-- combustion systems designed for high-sulphur coals: fluid-bed combustion, gasification, stack removal of sulphur, etc.;

-- dust filtering and disposal systems, and processes for utilizing ash.

All these programs combine to speed completion of a sweeping "Coal Experimental Area" around the Leghorn plant, where a number of experimental plants are already under construction or on the drawing board (a 1-megawatt prototype fluid-bed combustion plant, an experimental plant for producing and burning oil-coal blends, a furnace designed to study and test electrostatic precipitators of advanced design and sleeve filters, etc.), while demonstration plants of larger dimensions are in the advanced planning stages in close collaboration with Italian industry (one such is the fluid-bed 80-ton/hour boiler for the Porto Vesme plant in Sardinia).

As for environmental policy, the twin goals of containing pollution and improving the environment, which the board intends to pursue, will entail development of increasingly closer and more pervasive relations with all local agencies concerned with the siting of existing and future installations.

As for control and containment of air pollution from existing thermal power plants, ENEL has in hand a program for optimal management of air-quality data retrieval systems, installed on plant sites, which constitute the primary tool for insuring that plant operations comply with the requirements of the law.

In this connection there is a program under study now that would combine data acquisition and processing systems at individual plants.

Also under way is the establishment of centralized (sequential and data-bank) archives which would allow ENAL to call up partially prepared programs designed for identifying and predicting pollution phenomena, as well as provide direct access to those programs by users interested in the data turned up by the systems. Action like this tends to beget an adequately representative picture of zone behavior from the point of view of air pollution, and hence to optimize plant operations in relation to possible environmental problems.

Again in relation to existing plants, experiments are under way to improve dust-control system performance (electrostatic precipitators) and to test various additives designed to neutralize acid combustion products.

The board further intends to go ahead with a top-to-bottom check of existing plants, aimed at possible discovery of procedures that could improve external and internal environmental conditions: installation or improvement of fly-ash traps, resurfacing of roads, retrofitting pollution detector systems, adjustment and improvement of air-quality control systems, etc.

For new coal-fired power plants, the major thrust will be towards elimination of residual dust and fly-ash from combustion, using the most sophisticated filtration technologies.

The idea, in operational terms, is to eliminate any appreciable adverse impact of coal dust on air quality, thus dealing with the typical and specific adverse environmental aspect of coal burning.

6182

CS0: 3104/185

## STATE OIL MONOPOLY ENDING MANY LONG-TERM PURCHASE CONTRACTS

Stockholm DAGENS NYHETER in Swedish 17 Apr 82 p 8

[Article by Olle Rossander]

[Text] The price of oil delivered to oil companies by the oil-producing countries on steady long-term contracts is in line with the base price established by OPEC, the organization of the oil-exporting countries.

Normally, countries outside OPEC such as Norway, the Soviet Union, and Mexico follow OPEC prices.

Crude oil buyers and oil-producing countries always have some oil left over which is sold on the open market at whatever price customers are willing to pay. This is called the spot price.

Sweden has changed its oil policy. State-owned Svenska Petroleum (SP) has terminated oil contracts with several countries. Now the go-ahead has also been given to terminate the contract with Nigeria. The reason is that crude oil today is much cheaper on the free market.

If SP stops buying oil from Nigeria, Sweden will have contracts for only 1.2 million cubic meters of crude oil from the North Sea. Previously, SP had contracts with seven countries for just over 6 million cubic meters of crude oil annually.

SP's share of the market in Sweden is just over 2 million cubic meters.

With the change in the oil market, the free so-called spot prices now have dropped below OPEC prices. SP's large crude oil contracts have caused losses of 700 million kronor since 1980.

"If we do not get a better price for Nigerian oil, there is no reason for us to extend the contract," executive vice-president Lars Hjort of SP said.

Energy Minister Ingemar Eliasson told DAGENS NYHETER:

"I have nothing against terminating contracts that result in losses."

The contract with Nigeria for 1 million cubic meters could become the third large oil contract terminated by Sweden in recent time.

#### Contract Put to Rest

The contract with Mexico was put to rest and the contract with Saudi Arabia for about 2.5 million cubic meters, which previously was considered so favorable, was ended by Ingemar Eliasson after a personal meeting with Sheik Yamani.

The reason why Sweden now is doing its utmost to get out of contracts previously achieved after great diplomatic effort is that it is now cheaper to buy oil without contracts.

"We must accept certain losses as a kind of insurance premium in order not to be without oil in the future," the energy minister explained, "but they must not be as large as SP's losses in the past."

"Today it is doubtful that long-term contracts provide greater security."

#### More Even Price

Social Democratic spokesman in energy questions, Ingvar Carlsson, agrees that secure contracts are needed, but he has no clear idea of what size contracts Sweden and SP can afford to have.

"There should be some way to create a system with more even prices. It is unfortunate when small companies can use low spot prices to capture large portions of the market without responsibility for long-term supplies."

"Nothing has been stated officially about changing the role of SP. By fall we will have a proposal on what SP should do," Ingmar Eliasson explained, "and at that time possible cooperation between SP and OK (Swedish Oil Consumers' Union) should be more clear."

At today's prices an oil company loses on the average about 100 kronor per cubic meter of oil purchased according to OPEC contract prices.

#### Spot Market

All Swedish oil companies that can are purchasing more and more oil on the spot market. Since 1980 the amount of oil purchased on the free market has increased from about 17 to just over 25 percent.

This percentage is increasing rapidly. In recent weeks international oil dealers have become interested in Sweden and are offering favorable prices for oil shipments to industry and municipalities.

The competition is inflicting additional losses on SP and other crude oil importing refineries in Sweden.



The termination of contracts with oil-producing countries that are important to Sweden's export industry has caused concern for representatives of that industry..

It is believed that the oil contract with Mexico was important for Asea's chances of exporting nuclear power plants to that country and canceling an existing contract with the world's largest oil producer, Saudi Arabia, is considered by some observers to be imprudent from a trade and energy standpoint.

"The risks must be weighed against the reality of losing hundreds of millions through SP," the energy minister said.

A canceled contract would be a severe blow for Nigeria and OPEC.

OPEC is now attempting to force the oil companies to buy oil from Nigeria at a basic price just over 10 percent above the spot price.

Nigeria is OPEC's most populous nation and it has planned its entire economy on the assumption of higher oil prices and steady sales.

Several weeks ago when the oil companies reduced their purchases by half, Nigeria was forced to stop all imports to avert an economic catastrophe.

Now Saudi Arabia is threatening the companies with a total boycott if they do not continue to purchase oil from Nigeria at the normal OPEC price.

Thus, the prospects of SP receiving a more favorable contract are slight.

9336

CSO: 3109/147

## ECONOMIC INSTITUTES SEE UPTURN IN LATE 1982

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 4 May 82 pp 13, 14

[Article by Kg: "Economic Forecast: End of Stagnation in Sight--Research Institutes Expect 0.5 Percent Growth--Unemployment To Continue High--Fiscal Policy Criticized"]

[Text] Bonn, 3 May--In their joint economic forecast, the economic research institutes of Berlin, Essen, Hamburg and Munich are estimating that economic stagnation will not continue much longer. During the second half of this year there should be a slight upturn in economic growth. For the entire year they expect an actual growth rate of 0.5 percent, which could reach approximately 1 percent by the end of 1982. Thus the institutes are forecasting a significantly less favorable development than does the FRG Ministry for Economics, which counts on an annual average actual growth rate of 1.5 percent.

The Kiel institute estimates that for the near term there will still be a drop in the GNP and that an upturn in the economy cannot be expected until the end of the year. All the institutes agree unanimously that the improvement phase of the basic factors has not progressed far enough to reach a pronounced growth in overall economic production. This, they feel, is also caused by the fact that fiscal policy is failing in its task of contributing to make economic development permanent. The expected modest growth rate is insufficient, considering the assumed 3 percent increase in production, to avoid a further increase in the number of unemployed to more than 2 million by next winter.

However, all five institutes feel that there has been an improvement of the prerequisites for an economic upturn since last fall. The trade balance deficit has decreased markedly, which has raised expectations for a revaluation of the DM. Price increases have flattened out, thus enabling the Bundesbank to loosen its restrictive monetary and interest rate policies. Lower wage agreements and the improvement in terms of trade provided for improved earnings in the private sector and thus created the prerequisites for increased investment tendencies.

The institutes are basing their forecast upon the following assumptions: overall economic productivity in the industrialized countries will show only a gradual upturn. The Bundesbank will keep the amounts of the central banks

in the upper half of the announced desirable range. Measures intended to stimulate the economy within the framework of the job creation law will become effective. The investment supplement will not be financed by increasing the value-added tax, but rather by a combination of cuts in expenditures and increases in new debt. Also, further wage agreements will adhere to guidelines issued to date.

The institutes are basing their expectation of greater productivity during the second half especially upon a relaxation in monetary policy, continued lower wage agreements, a gradual increase in orders from industrialized countries and the end of inventory reduction. The institutes also assume that the demand for machinery will once again increase. However, they indicate, the general have not improved to such an extent that a strong increase in investment tendencies can be expected. Nevertheless there is a strong need for investment. For the sake of their long-term competitive capabilities, enterprises are forced to introduce new products and new production methods. The investment supplement should, especially toward the end of the year, lead to an increase in orders and probably to an increase in investment activity. But the effects of this would not be felt until 1983. They feel that the annual average rate for 1982 in actual machinery investment must be estimated as regressing by about 3 percent, similar to the figure for the prior year.

The institutes see indications for the fact that the low point has been reached in housing and industrial construction. However, they do not see a significant upswing in public works construction, due to financial difficulties of the communities. For the annual average, the institutes estimate a decrease of almost 7 percent in construction starts. However, lowered inflation is leading to increases in private consumption, which however would increase at only a very gradual rate.

The institutes further expect that there will be a significant decrease in the impulses deriving from the actual devaluation of the DM during the last few years and in the mass of orders from oil exporting countries. There would be a decline in the increase rate of export trade. Nevertheless, the international competitive capability of German industry would remain great. Within the framework of the European Currency System, the institutes feel that additional exchange rate adaptations will be necessary, which would necessarily lead to a revaluation of the DM. Based on past experience, these would probably fall below the inflation rate. In the overall picture, export trade would bolster the economy in 1982 also, though not nearly to as great an extent as it did in the past.

Table 1. Major Economic Indicators  
Forecast Estimates for 1982 (in Percent)

	1982	First Half	Second Half
Domestic GNP (real)	0.5	0.5	1
Private Consumption	4.5	4.5	4.5
Public Consumption	5	5	5
Facility Investment	-2	-3	-1.5
Price Rate (Pvt. Consumption)	4.5	5.5	4
Price Rate (Public Consumption)	4.5	4.5	4
Gross Salaries	3	3	3
Gross Income from Production and Wealth	9.5	9.5	9.5
Number of Employed	-1.5	-1.5	-1.5

9273

CS0: 3103/455

## PRIVATE BUSINESS GROUP FORECASTS GNP GROWTH OF 0.5 PERCENT

Helsinki HELSINGIN SANOMAT in Finnish 17 Apr 82 p 29

[Article: "GNP Will Increase 0.5 Percent"]

[Text] According to an economic forecast published on Friday by the Pellervo Economic Research Institute Finland's gross national product will increase this year by only 0.5 percent over last year. Next year there will be a certain amount of growth, which will reach 3 percent at the most, estimated Managing Director Seppo Suokko of PTT [Pellervo Economic Research Institute].

"The economic recession of the second oil crisis has turned out to be more persistent than expected and the continuation of the international recession has also weakened development prospects for the near future," states Suokko.

According to the report by PTT the restoration of the economies of the Western industrialized countries is an absolutely necessary condition for improving Finland's economy. However, this time it is not sufficient and actions for bringing an immediate halt to the weakening of our competitive ability are also needed, stated Suokko.

According to Suokko the economic picture should not, however, be interpreted too inflexibly, but preparations should also be made for the alternative that if an economic upswing occurs simultaneously in various countries as a result of the reduction in oil prices, a self-invigorating boom period could come about.

"This, for its part, could create forceful inflationary pressures, particularly in the raw materials markets, in which real prices are exceptionally low, stockpiles are low, and the renewal of production capacities in certain sectors has been neglected," noted Suokko.

From the point of view of domestic inflation the lightness of the money markets could according to the report turn out to be a risk, especially if it continues too long. For this reason, control of the situation presupposes exceptional vigilance and if necessary quick actions in financial policy as well as attention to the effects of the foreign sector and the state economy in the funding markets.



PTT estimates that inflation this year will remain at 8.5 percent while last year it was still 12 percent. Imports will not increase at all in comparison with last year, exports, for their part, will increase 0.5 percent over last year and the balance of payments will show a 0.5-billion markka surplus, predicts the report.

#### Unemployment 6.5 Percent

PTT estimates that the number of unemployed this year will on the average be 160,000 people or 6.5 percent. Unemployment will continue to become worse and next year the number of unemployed during the most difficult months will be 200,000, estimates Suokko.

"In addition to an economic policy that will secure the operational conditions of enterprises and bring about new productive employment opportunities, a re-evaluation of the employment policy is also needed for managing employment," stated Suokko.

The regulation of work hours is considered one such means according to PTT's report. However, the research institute does not believe that the concepts presented in public concerning the shortening of the work week and a corresponding reduction of the wage level would be as such feasible. The reports recommends a more flexible regulation of working hours, in which the division of work would occur in accordance with individual and enterprise objectives.

In the report attention is also given to the deterioration of the energy situation and emphasis is placed on the fact that it has not essentially changed over the long haul. According to PTT approximately half of the reduction in oil consumption is the result of a more efficient use of energy and the other half is the result of weak economic growth.

The short-sighted neglect of investments in energy conservation because of the presumed alleviation of the energy situation will worsen the situation in future years. Achievements to date in the conservation of energy are not sufficient to prevent new price crises, states the report.

In order to strengthen the energy policy measures of public power and continue the energy policy line as a certain possibility the PTT proposes the establishment of a special energy fund, for which money would be collected by imposing a small fee on the production of energy.

10576

CSO: 3107/107

## ECONOMIC PRODUCTION GREW BY 1.5 IN LAST QUARTER OF 1981

Helsinki HELSINGIN SANOMAT in Finnish 18 Apr 82 p 39

[Article: "Total Production Increased 1.5 Percent"]

[Text] In the last quarter of last year the amount of total production increased 1.5 percent. This corresponds to all of last year's overall development since it is estimated that the increase in production for the whole year is approximately 1 percent, states a statistical report compiled by the Statistics Center for the last quarter of last year.

In the report published on Wednesday it is noted that production in 1980 increased by approximately 5 percent and in 1979 it increased by a full 7.5 percent.

This minimal growth in 1981 was primarily supported by consumption and exports. On the consumption side public consumption increased more than private consumption. Imports continued to increase, but growth was less than in previous years. According to the Statistics Center the growth of exports was primarily maintained by the metals industry. Exports of the wood and paper industry, on the other hand, decreased.

Investments were slightly greater in the fourth quarter than in previous years, but the level for the whole year was down. However, construction investments increased.

Production also decreased in accordance with this slow economic growth last year, particularly on the part of raw materials.

Last year the number of unemployed increased and the average rate of inflation accelerated. However, the increase in prices slowed down in the latter half of the year and in the final quarter was clearly less than a year ago.

In last quarter of last year the unemployment level was 5.4 percent and a year before it was 4.7 percent.

The nominal wages of wage-earners increased 12.8 percent last year and consumer prices increased 12 percent. Thus real incomes increased an average of 0.8 percent.

It is estimated that the nominal national income increased a little less than 11 percent in the last quarter of last year and it increased by approximately 12 percent for the whole year. Calculated on a per capita basis it is estimated that the national income last year was approximately 37,000 markkas. Income from wages increased a little less than 16 percent last year.

10576

CSO: 3107/ 107

## MINISTRIES SEEK UNBUDGETED FUNDS FOR ALGERIAN GAS CONTRACT

Paris LE POINT in French 22-28 Mar 82 p 68

[Article by Roland Mihail: "An Explosive Gas"]

[Text] A retroactive clause in the Franco-Algerian gas contract is forcing the government to dip into the tills of several ministries....

Here is an unexpected and troubling repercussion of the Franco-Algerian gas contract. To finance one of its clauses, the government is forced to draw on all possibilities from all sorts of funds, and specifically to withdraw 169.5 million francs from the tills of the Energy Economy Agency.

For the past 3 weeks now we have been witnessing a series of chain reactions at the Energy Ministry. The minister himself, Edmond Herve, has had to send an angry letter to the prime minister. Michel Rolant, former head of the CFDT [French Democratic Confederation of Labor], is for his part grinding his teeth as he gets ready to take over the presidency of the national energy control agency. And Jean-Pierre Hugon, the current director general of the National Coal Board who was responsible for submitting an earlier report on energy for the present government, has just resigned from his post as manager of the Energy Economy Agency. At the same time his colleagues unanimously adopted a strong motion to protest a 17 percent reduction in the Agency's budget allotment.

At the root of all this to-do is a clause that virtually passed unnoticed during the commotion caused by the signing of the gas contract between France and Algeria on 3 February. It concerns payment to the Algerian Government of a retroactive premium going back to 1 January 1980. In other words, the gas purchased from Algeria, since that date will be paid for on the basis of the prices fixed in the February 1982 contract, or--despite what some people have said--at a rate higher than the world price. This is even acknowledged in a report to the prime minister: "France, wishing to give this agreement a political and symbolic meaning, agreed to go beyond international market terms for gas so that this developing country(...) could get a better price for its resources." The author of this phrase is none other than Laurent Fabius.

There is no need to explain that this famous retroactive clause, for which the French Government is fully responsible, is going to cost dearly. The amount in fact totals 1.69 billion francs, which must be paid before this Thursday, 25 March, to boot. We must add to this 1.69 billion another 460 million francs for deliveries from January to June 1982. The French government must therefore disburse a total of 2.15 billion francs without delay.

The question is how can an amount like this be financed when no provision whatsoever was made for it in the 1982 budget? The Budget Ministry's reply is to open, by decree, an entirely new budget section to unfreeze appropriations for exceptional advances. Elementary...

Other budget items will, however, also have to be "tapped" to cover this unexpected expenditure in a budget that is already largely in deficit. That's no problem--a decision was made to cancel out a certain number of appropriations programmed for 1982 as "collateral."

For that, the budgets of five ministries--Economy, Energy, External Relations and Cooperation--were quite simply required to contribute and sacrifice to cover the remainder of the bill.

The first to be hit was the Economic and Social Development Fund (FDES), an agency that, like others, is supposed to aid industry. Loans amounting to 1.4 billion francs were "sapped" from it. The second source of financing they turned to was the Economic Contingency Fund (FAC), another agency responsible for providing financial assistance to business. An amount of 150 million francs was withdrawn from its account. There were other disbursement appropriations canceled at the Ministry of Economy and Finance: for instance, those of the French Foreign Trade Bank amounting to 500 million francs and earmarked for financing purchases of capital goods by foreign buyers.

And that is not the end: 45 million francs were debited from the budget of the Ministry of External Relations. That many acquisitions or improvements to embassies will be "skipped." Various industrial policy activities--205.5 million francs worth--were also sacrificed on the altar of energy, or in this case, gas. What makes it so paradoxical is that the Energy Ministry itself is bearing the expense of these cuts, and it is precisely the agency in charge of economizing energy consumption.

This decision is all the more surprising as the government has not ceased to proclaim that energy savings were one of the cornerstones of its new policy in this area. And, it was Pierre Mauroy himself who, in a general policy statement on 15 September, urged the French people to make a "massive and determined effort" in this direction.

9805

CSO: 3100/523



## 1982 SPRING BUDGET, ECONOMIC INDICATORS VIEWED

Frankfurt/Main FRANKFURTER ZEITUNG/BLICK DURCH DIE WIRTSCHAFT in German  
15 Apr 82 p 2

[Article: "State of the Economy Report. Drastic Reversal in the Balance of Payments"]

[Text] Amsterdam, 14 April--In the past few weeks heavy thunderclouds have hung over the Netherlands Government ... center-left coalition, which was brought into being only half a year ago after laborious negotiations, threatened to founder. It had already been reproached for some time for a lack of decisiveness which was endangering the country because, again and again, measures to improve the difficult economic situation were put off. The voters, tired of the vacillation between the unequal government partners, decisively rejected the cabinet in the 24 March elections to the provincial parliaments. These elections, which take place every 4 years, as a rule are seen as a barometer of public opinion on national policy. If the results of the elections in this year had been translated to the national parliamentary level, the Socialists would have suffered a severe defeat.

The Christian Democrats and the Right Liberals would together have been able to form a center-right government again. The results of the elections prompted Prime Minister van Agt to put his Socialist Party partners on notice and to let them know that they were finished and that his party, the Christian Democrats, was now taking the lead in making the necessary decisions yet to be made on economic measures and adjustment of the current budget, which should have been done weeks earlier. On Good Friday the cabinet survived the threatening situation and presented its plans. Although they were, of course, immediately criticized, it must be said that another cabinet crisis would not have resolved the situation. The central element in the so-called "Spring Report" is that the budget deficit will not be reduced to 6.5 percent as provided in the governmental agreement, but instead will become stabilized at the level of the year 1981, namely, at about 8.2 percent. This is in spite of the economy measures amounting to 3.2 billion guilders in the current year. In the following year, according to the most recent decisions, a further 8.5 billion guilders are to be saved.

## Industrial Production

<u>Year/Month</u>	<u>1975 = 100</u>
1980	111
1981	109
1980 November	113
December	111
1981 January	111
November	108
December	110
1982 January	109

The agreement which has now been made by the ministers contains one further difference from the government arrangements. Minimum incomes will be reduced even further than provided there, and higher incomes will lose less. The agreement must still be worked out in detail. Among other things, it provides for employees to pay a somewhat larger share for certain social security contributions and for employers to pay a smaller share for the same. This shifting of the contribution to the employee means a reduction of the tax burden on enterprises of 600 million guilders this year and 1.2 billion guilders next year. Savings result further, among other things, from limiting the child allotments.

The socialist partners in the government were the ones to show the most dissatisfaction with the agreement. Employers doubted whether the reduction in the tax burden on enterprises would be sufficient and realistic. Employees complained about the reduction in purchasing power and had doubts about the amount of the sum specified for employees. Van Veen, chairman of the largest employers association (VNO [Federation of Netherlands Enterprises]), while happy about the reduction of the charges, observed that the measures were nevertheless still insufficient. Moreover, he was of the opinion that the budget deficit could be reduced. He also complained that the government, through its continuing demands on the capital market, was increasing interest rates for industry. The Christian employers association NCW [Dutch Christian Employers Union] saw a lack of genuine investment incentives in the agreement and considered the reduction in the tax burden to be insufficient.

On the other hand, the FNV [Netherlands Trade Unions Federation] was indignant about the cabinet not including natural gas profits in its plan for stimulating employment. Furthermore, they considered it not right that the reduction in the tax burden of enterprises was put on the employees' shoulders. The two big unions of the Netherlands, FNV and CNV [National Federation of Christian Workers in the Netherlands], objected to the fact that self-employed persons were not affected by these measures.

The urgent necessity for economy measures is clearly to be seen in the contents of a letter sent to Parliament by Finance Minister van der Stee. The minister wrote therein that the 1982 budget deficit will be 4.7 billion guilders more than originally assumed. Of this, 2.8 billion guilders are

the result of negative price and sales developments in the area of natural gas. A further 0.9 billion guilder will be missing because of overall economic developments. Finally, tax receipts will be 1.0 billion guilder lower than expected.

According to a poll on the state of the economy conducted in January of this year by the Central Statistical Office in The Hague, Netherlands consumers are more pessimistic than ever before. While the "index of consumer confidence"--the sum of positive and negative replies to five questions about the general state of the economy and the financial condition of the households polled--went up from 57.3 in May 1981 to 59.9 in October, it again sank to 57.4 in January. Concerning general economic conditions in the coming 12 months, in January 11 percent of the consumers polled predicted a slight or definite improvement (October 1981: 13); 44 (42) percent expected a somewhat less favorable, and 23 (21) percent a distinctly less favorable, situation. Concerning their own financial situation, 10 (11) percent of the households expected an improvement in the coming year, and an unchanged 32 percent a worsening; 55 percent believed that the situation would not change. According to another poll by the Central Office, the Netherlands consumer has also become more economical. Per capita consumption of the population in 1981 was at the 1977 level. Total consumer expenditures in comparison with the previous year were reduced by 2.5 percent.

Status of Orders: Receipt of orders by Netherlands industry was down slightly in February of this year. Without exception, this was the result of reduced domestic orders. Foreign orders remained unchanged in comparison with the previous month. According to the most recent State of the Economy Report by the Central Statistical Office in The Hague, the receipt of orders altogether was considered by enterprises to be almost the same as in January: 56 (58) percent considered it as normal and 39 (38) percent considered it too low. The index of orders on the basis 1978 = 100 remains unchanged at 97. The status of inventories was considered to be the same as in January; 42 percent of enterprises believed their inventories to be too large, while 57 percent characterized them as normal, and 1 percent as too small.

#### Wages and Prices

Year/Month	Wages (1972 = 100)	Consumer Prices (1975 = 100)
1981	201	142.8
1980 December	196	136.8
1981 January	197	138.0
February	197	138.9
December	206	146.8
1982 January	212	147.5*
February	212	148.2*

\*Provisional figures

**Production:** In the same poll, enterprises reported a slight improvement in their activity. They expect this to remain at the same level in the coming 3 months.

**Labor Market:** In February of this year unemployment suddenly rose much more rapidly than in January. That month's decrease was thus again completely eliminated. Although this should have been reduced because of season effects, the number of unemployed increased by 4,500 to a total of 492,839. The unemployment rate is thus 11.6 percent. Corrected seasonally, 464,156 persons were unemployed (10.9 percent). The number of available jobs increased by 364 to 12,916.

As communicated by the Ministry for Social Security and Employment in The Hague, half of the job seekers in the Netherlands are registered with employment offices for more than 6 months. The duration of unemployment is increasing rapidly. The ministry further observed that unemployment for certain groups of persons is increasing particularly rapidly. Thus, while the total unemployment increase was 42 percent, for those leaving school the increase was 84 percent. Long-term unemployment is most often the case for trade and office personnel and for teachers. In contrast to earlier expectations, Social Security and Employment Minister den Uyl believes today that the number of unemployed in the Netherlands will not exceed half a million for the time being.

The above-described adjustment of the current national budget also contains plans for stimulating employment. Minister den Uyl praised the cabinet's readiness to compromise, and calculated that sums of 3 billion and 4 billion guilders are available for carrying out his employment plans in 1982 and 1983--more than he had hoped.

**Wages and Prices:** Consumer prices in the Netherlands increased by 0.5 percent from mid-January to mid-February 1982. Prices of 52 percent of the goods and services covered by the Central Statistical Office rose; after the effect of sales is eliminated, the prices of clothing and shoes increased especially. Price increases were also registered for coffee, beer, living room furniture, fresh vegetables and fruit. Prices for 21 percent of goods and services went down; gasoline is most worth mentioning in this category.

**Foreign Trade and Balance of Payments:** Imports for the Netherlands rose by 5 percent in January 1982, as compared with January 1981, to 12.4 (11.8) billion guilders, whereas exports rose by 13 percent to 14.6 (12.9) billion guilders. When the import and export of petroleum products, ships and airplanes, which are subject to large fluctuations, are left out of consideration, the value of imports was unchanged and that of exports was 12 percent greater than in the comparison month in the previous year. Contrary to the customary practices of the Ministry of Economic Affairs in The Hague, it is not possible to tell which products showed particularly increased rates.

A big change occurred in the balance of payments of the Netherlands in 1981. As Finance Minister van der Stee informed the Second Chamber of Parliament,

This registered a surplus (balance of payments including trade) of 8.6 billion guilders. In 1980 there was a deficit of 4.5 billion guilders. The reversal was due entirely to the trade balance, which in 1980 still showed a deficit of 2.3 billion guilders. In 1981 there was a surplus of 10.4 billion guilders. In 1981 there was a surplus of 10.4 billion guilders. As communicated by the minister on the same occasion, Netherlands foreign investment in the past year increased from 5.9 to 8.1 billion guilders. Foreign investments in the Netherlands remained unchanged at 3.2 billion guilders.

In January 1982, the surplus in the balance of payments, according to figures of the Central Statistical Office, was 2.2 billion guilders. With this, the trend observed since September of a positive balance of payments continues.

Foreign Trade\*  
(in billions of guilders)

<u>Year/Month</u>	<u>Exports</u>	<u>Imports</u>	<u>Difference</u>
1980	147.0	152.3	-5.3
1981	170.8	164.5	+6.3
1980 October	12.9	13.2	-0.3
November	12.2	12.6	-0.4
December	12.9	13.8	-0.9
1981 October	15.7	14.7	+1.0
November	15.9	13.8	+1.1
December	14.9	14.6	-0.3

\*As communicated by the Central Statistical Office; because of computer problems at this time, there are no data on foreign trade for January 1982. The above tabulation is adjusted to the most recent import and export figures. For this reason, some of the figures may be different from figures in the tabulation of the March 16 State of the Economy Report.

5586  
CSO: 3103/429



## THORN URGES LIBERALIZATION OF FOREIGN INVESTMENT RULES

Lisbon EXPRESSO in Portuguese 9 Apr 82 p 19

[Interview with European Commission President Gaston Thorn on Portugal's contemplated entry into the EEC and other allied questions, in Brussels, by EXPRESSO correspondent Maria Manuel Soares de Sousa; date not given]

[Text] President of the European Commission since 1 January 1981, Luxembourgish Gaston Thorn decided to visit Portugal officially at a time when the country is increasingly wondering about the advantages of membership in the EEC or, at any rate, about how the government is carrying on negotiations regarding a rapprochement with Europe.

On the eve of his arrival in Lisbon, Thorn decided to provide written answers to certain questions posed by EXPRESSO's Brussels correspondent, Maria Manuel Soares de Sousa. However, some of the questions remained to be answered.

In addition to the care he took in formulating his answers, Thorn made it a point not to engage in any dialogue with EXPRESSO, even written, on questions such as the precariousness of the temporary resolution faced by the EEC with regard to the problem of the British contribution to the community budget. In fact, it is to be hoped that within a few years, coincident with the anticipated date of the expansion, the British question will succeed in resolving the internal crisis. Thorn also refused to comment on criticisms of the commission, made especially by France, in view of the fact that the commission is limited to consideration of the EEC's technical aspect without dealing with its functions from a more political viewpoint.

However, Thorn does not refrain from reflecting on certain important points relating to Portugal's entry into the EEC, such as Spain's simultaneous entry and EEC's direct investments in Portugal after membership.

[Question]: What importance do you attach to your official visit to Lisbon and in what spirit will you be meeting with Portuguese officials?

[Answer]: In the spirit which prevails in the negotiations now underway between Portugal and the EEC. They are not commercial negotiations where each party does everything possible to achieve the maximum advantage over the other. On the contrary, they are negotiations aimed at harmonious integration and are being conducted for the purpose of finding a solution to questions which, after Portugal becomes a member, will be problems of the entire EEC.

[Question]: Despite the efforts of certain member states--particularly France--to separate the Portuguese membership procedure from the Spanish, it is known that the commission prefers to see the two countries enter at the same time. Could it be for reasons of a technical nature? If so, what are they? If negotiations with Portugal end sooner, will the commission think it necessary to make Portugal wait until Spain is ready to enter?

[Answer]: Two simultaneous entries are perfectly desirable for a number of reasons: Juridical, political, institutional. The two negotiations are separate; they are progressing thanks to their own merits. In reality, this means that if one of the negotiations lags behind the other, we shall make no effort to step up negotiations with the one less advanced. Obviously, we are doing nothing to interfere with the most rapid negotiations possible. Having said this, I should like to call to your attention a factor which I believe very useful in illustrating the interest simultaneous entry would have in political terms. Let us imagine that Portugal is ready to enter the EEC before Spain: At the time of the ratification, how could the Portuguese Parliament fail to give an opinion on all which, meanwhile, was negotiated between the 10 members and Spain? Who can say that the EEC of 11 members would not want to reexamine what the EEC of 10 members would already have agreed upon with Madrid? Obviously, we can use the same argument placing Spain in Portugal's place and vice versa.

[Question]: In your opinion, what are Portugal's trump cards in the negotiations for harmonious integration in the EEC?

[Answer]: They are the trump cards which emanate from the appeal one can read in the preamble of the treaty: The appeal is directed to other European peoples who share the ideas of peace, freedom and progress to make them a part of the common effort to defend these ideas.

#### The EEC's Great Vitality

[Question]: In one of your speeches, you stated that the EEC was in a state of crisis. What are Portugal's advantages in joining "this sinking ship"? Do you believe, in the meantime, that the situation may change by the time Portugal becomes a member?

[Answer]: It so happens that I do not share your opinion--which appears to me more like an answer to your own question. The EEC is not a "sinking ship." On the contrary, despite the difficulties of which we are all aware, it is an entity of great vitality, essential to our facing up to the economic crisis. Portugal presented a request for membership, the EEC received it with a very positive political attitude and negotiations were started. Their objective is not the principle of membership nor community practice but only the opportunity for transitory derogations. Our political will has not changed--I see no reason why such a change should occur on Portugal's part.

[Question]: The commission is often criticized by certain member states for not having proposed, within the framework of the CAP [Common Agricultural Policy] reform, effective guidelines for the organization of structures of markets of agricultural products of the Mediterranean, principally olive oil. Those sectors also point out the inadequacy of the commission's proposals to the effect that expansion (particularly in the direction of Spain) will avoid a still wider gap between the north and the south. Are those fears well-founded?

[Answer]: The commission is perfectly aware of the magnitude of the problem, and that is why, in April 1980, it presented--permit me to remind you--its plan with regard to that subject. As you have just pointed out, these are questions which are not favorable to Portugal. With regard to the expansion of the EEC, each of the parties is faced with the need for certain internal options: For example, for us, the administration of Mediterranean products; for Spain, the introduction of the VAT [Value-Added Tax].

[Question]: Recently, before parliament, you stressed the need to exceed the 1 percent VAT ceiling to resolve EEC's problems and cover expansion costs. When does the commission plan to present concrete proposals on this matter? And what are the consequences of Portugal's participation in the EEC budget (which in the present system would be a "net" contributor, since it is the poorest country in the EEC)?

[Answer]: No, I am absolutely convinced that there is no reason for such fears. The negotiations are taking Portugal's particular situation into account, and the matter of resources themselves is being dealt with in last place: At this very moment, the contribution of the candidate country is being calculated, and, if necessary, the calculation of a temporary solution will also be made.

#### Investments: The Commission's Position

[Question]: In a recent communique to the council, the commission requested that the possible rejection by the Portuguese Government of direct foreign investments in Portugal, which for 3 years after its entry into the EEC will be subject to its previous authorization, be overridden through ratification by the commission. Is not this the same as having the commission decide Portugal's policy of industrial development?

[Answer]: Let us not confuse the facts. Portugal requested total control over investments which exceed a very low limit, and the EEC thought it necessary to adopt a much more liberal position, since EEC practice calls for total freedom in this domain. It is obvious that Portugal needs foreign investments, since its capacity for domestic savings is less than what it needs to develop its economy. Moreover, it is of general interest to proceed in such a manner that the restructuring of Portuguese industry may be done without surpluses, and the commission is aware of this.

#### Common Interests With the United States Stronger Than Contentious

[Question]: Through what means do you believe the EEC can carry out an effective policy with regard to American partners, given its policy of nonintervention in foreign exchange markets and high interest rates and in view of the fact that the situation has not changed since recent EEC/U.S. meetings? Will not Europe's military and political dependence on the United States make any attempt to forge ahead with an economic policy favorable to Europe illusory?

[Answer]: I do not agree with that interpretation. I shall say only that an "economic policy favorable to Europe" is not necessarily prejudicial to the United States. And vice versa. On the contrary: The interests we have

in common are infinitely more vast and deep than the contention which presently places us in opposition--and the Americans know this as well as we. This does not mean that Europe should give up making itself heard, as loudly as the cohesion of its members make this possible.

[Question]: What are the anticipated difficulties of expansion which a commission will have to face with three additional commission members and a Council of Ministers involving two new member states?

[Answer]: The prospect of expansion is undoubtedly one of the factors which presents us with the need for certain institutional advances. It would be dangerous to ignore them, particularly in view of the present situation where decision is being blocked.

The EEC cannot be content to be a heavy, bureaucratic apparatus, devoid of truly effective operational capability. On the basis of the practice of unanimity which is clearly spelled out in the treaties, there is still one which insists on rejecting the majority vote called for on a great number of subjects (which arrive at the council's negotiating table). With this behavior, the EEC is deprived of the dynamism it could and should have and which would permit the entire EEC to face up to the pressures of the economic crisis.

8568

CSO: 3101/36

## BUSINESS INSTITUTE REPORT: RECESSION HAS REACHED BOTTOM

Stockholm SVENSKA DAGBLADET in Swedish 6 Apr 82 p 21

[Article by Nina Ersman]

[Text] Swedish industrial production dropped more than predicted during the first quarter. Now businesses believe it has bottomed out, but unemployment continues to rise.

This mixed picture was presented by the National Institute of Economic Research (KI) in this year's first quarter survey of industry. On the one hand, gloomy figures reflect the poor results and, on the other hand, there is a certain cautious optimism for the future, with the exception of employment.

The survey is based on questionnaires answered by over 2,000 companies.

As expected, the number of new orders from the domestic market continued to drop during the first quarter. The decline was even greater than anticipated in the pulp and metal goods industries, but somewhat less than expected for certain consumer goods and construction materials. Construction and the textile and clothing industry are expecting a more rapid decline during the second quarter, however.

#### Increased Orders

Iron, steel, and metal works experienced a certain increase in orders at home and believe this trend will continue in the future.

Incoming orders from the export market also slumped compared to the second half of last year. Exporters are anticipating a definite increase in the number of orders during the second quarter, however. This optimism is felt in all manufacturing industries, iron and steel works, lumber mills, and the chemical industry.

The pulp industry and the textile and clothing industry anticipate a continued decline in exports, however.



More than two thirds of all industrial companies believe they still have too few orders in their books. This belief is held by three fourths of all companies in manufacturing.

According to KI, industrial production dropped as a whole more than predicted during the quarter. It was primarily the pulp industry, paper mills, certain manufacturing industries, and shipbuilding that declined. On the other hand, production increased somewhat at lumber mills, in the paper goods industry, the electrical industry, and the rubber products industry.

#### Mixed

Overall, businesses are anticipating higher production levels this spring, although the picture is mixed both between and within various branches.

The quarterly survey also shows that inventories of both finished and unfinished goods are starting to decrease. In many places they are still considered to be too high, however.

Only a few lumber mills reported shortages of raw materials.

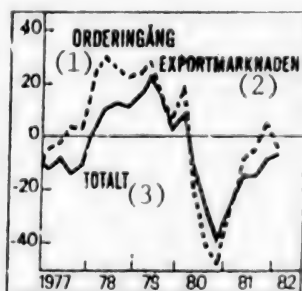
Many exporting firms raised their prices early this year. This could be an aftereffect of the devaluation in September, according to KI. Based on normal seasonal patterns, fewer price increases are anticipated during the second quarter.

#### Employees Reduced

There is no good news for the unemployed in the report. The number of employed dropped sharply during the first quarter and the trend is expected to continue throughout the summer.

A considerable number of companies indicate that cutbacks in production are possible in the future. This is true especially in the beverage and tobacco industry, the lumber and pulp industry, and portions of the manufacturing industry.

The lack of skilled labor no longer seems to be a significant problem. There is still a certain unsatisfied demand for technically trained white-collar workers, however. They are still being hired at iron and steel works, in the manufacturing industry, and at shipyards.



#### Key:

1. Incoming orders
2. Export market
3. Total

## MUMCU PRAISES END TO UNJUST SEE 'DIVIDENDS'

Istanbul CUMHURIYET in Turkish 30 Mar 82 pp 1, 11

[Article by Ugur Mumcu: "Public Troughs"]

[Text] The government has published a circular discontinuing the "dividends" distributed to members of the board at state-run banks and the SEE's [State Economic Enterprises]. Not only does this slam the door on an unfair practice, but it also provides an opportunity to start at the top and revise the boards of directors that we have dubbed the "Public Troughs."

Let me give you an example:

A newspaper columnist is chairman of the board of directors of a state bank. One of the more than 40 companies held by this newspaper's owner gets credit from this bank. The general publications editor of this newspaper is a founding partner of this exporting company. The same bank is a partner in a private news agency. The security instruments of the news agency were signed by the owner of the newspaper. The news agency forms a new company with another organization and expands into many areas from the construction industry to the importation of aircraft.

What a gorgeous triangle this is: the chairman of the bank's board of directors, the newspaper columnist and the newspaper's general publications editor, the founding partner of the company, the newspaper's owner and the major partner of the company, then bring on the credit...laughing all the way to the bank.

When you take a firm hold on this chain of relationships, you begin to come up against these interesting cornerstones.

A 27 May revolutionary is on the board of directors of an iron-steel organization in which the state is the major shareholder. This revolutionary is cited in all the 12 March files. This revolutionary has taken a 180-degree turn since those days and grabbed a position on the board of directors of this organization, a leading representative of the order he wanted to destroy. A "namesake" of this revolutionary who later builds a string of TIR fleets wants and gets, from this same administration, a seat on the board of directors of another organization.

For heaven's sake, what is the meaning of all this?

Here is the system and how it works: Parliamentarians who fail to win reelection, retired generals, colonels and newspapermen close to the party in power have taken jobs on these boards of directors.

This system needs to be changed from the bottom up. People who know nothing about banking and people without the remotest knowledge of the SEE on whose board they sit are serving on these boards, and this creates many risks. These risks must be prevented.

First of all, these organizations are being ruined by these board members. Unneeded personnel are hired at the SEE's through the patronage of the former members of parliament; at the banks, the banking and credit system is a tangle of largess to companies backed by whatever administration is in power. Board members who have connections with private companies use the credit system to the benefit of these companies. This causes "unfair competition" among private companies. Companies and conglomerates backed by sitting administrations use these connections to load up on credit from the state banks.

Now, if we were to do this: If we looked at the state-run banks one by one to see who was on their boards of directors over the past 20 years and then if we found out the people and organizations to which these banks had given credit, a lot of facts would appear automatically. And a lot of connections!

As if this were not enough, earnings--in the millions in some state companies--are distributed to the members of these boards, hardly an intelligent and logical system.

Our governmental elite are well pleased by this sort of "statesmanship," they love this system.

What is going to happen at the SEE's and the state-run banks is that the "dividends" for board of directors' members will be discontinued, and representatives of the employees of these establishments will be represented on the boards.

We think this recent decision by the government is a very beneficial one. But it is not enough; a whole new system is necessary. The board of directors trough should be dismantled as soon as possible. And a new system should be put in its place whereby the employees of these establishments will be represented in the administrative units.

Otherwise, we will just go around in circles, coming back to the same place in the future.

8349

CSO: 4654/276

## OZTRAK EXPOUNDS ON EQUITY OF LAND REFORM

Istanbul TERCUMAN in Turkish 30 Mar 82 pp 1, 13

[Excerpt] ANKARA BUREAU--Speaking off the agenda at yesterday's Consultative Assembly session, Minister of State Ilhan Oztrak said, "Implementation of a doctrinaire land reform that would impoverish everyone is impossible within the borders of the Turkish Republic." "We have an obligation to save the landless from living like slaves, but not by making private ownership the enemy," he said.

Oztrak said that a land reform bill as envisaged in the 1961 Constitution had been drafted and sent to the assembly, but the government was, nevertheless, continuing certain studies of the bill. He added:

"We may reduce the number of articles in the bill, bearing in mind the Consultative Assembly's heavy workload. The bill will undergo its final evaluation by the government in the next few days and be forwarded to you.

"Agricultural reform is impossible without land reform, but implementation of a doctrinaire land reform that would lower production and impoverish everyone is, in any case, impossible within the border of the Turkish Republic."

Minister of State Oztrak stated that people who own no land at all work as laborers in 693 villages in Turkey and the freehold on these village lands belongs to others. He said:

"Social justice and output are two inseparable elements.

"The goal is to obtain maximum output from an agricultural unit on the one hand and, on the other, to accord full respect to the citizen's right of ownership, then as a third element, to make life on the land possible for some of those people who have fallen through the cracks of the social justice system as well as to some in the industrial sector. Therefore, the new bill will come to you after another review in light of these considerations. Let us not forget this: We have an obligation to free the landless people who live in certain places from living like slaves, Turkey certainly has an obligation to do this. But not by making private ownership the enemy. I want you to know that our government recognizes its duty to reconcile these two."

## We Will Get Nowhere With This Bill

Hatay member Zeki Ozkaya spoke off the agenda to criticize the Land Reform Bill now under discussion by the Council of Ministers. "We will get nowhere with this kind of land reform," he said.

Ozkaya said everyone would be glad to see land distribution to landless farmers, but the way to do it was not to divide up rational operations.

"Does it not damage the philosophy of common national values to ignore the sanctity of private ownership and command land distribution?" Ozkaya asked, continuing, "Do those who talk of land reform not know that half of our agricultural land has no recorded deeds?"

## Bureaucratic Scum

Kirklareli member Muzaffer Ender stated that the state offices do not have the staff qualified to set the course for the future of the nation and people. "They do not even have anything to speak of except slogan-spouting civil servants and governors who drive around in official cars. A Deniz Baykal in an Energy and Natural Resources Ministry could throw his weight around as much as he wanted," he said.

Ender noted that "Secret cabinets outside of the visible cabinets and state offices can be directed from outside," and said:

"If this frightening concept is not prevented and if some order is not brought to this spiritless, faithless and even treasonable bureaucracy, when the time for political parties comes in a few years, you can have no doubt that it will be a time when those who believe in and defend 12 September will be called to account or even to court."

8349

CSO: 4654/276



## EUROPEAN SOCIALIST LEADER GLINNE ON EEC ROLE

Rome L'UNITA in Italian 13 Apr 82 pp 1, 22

[Interview with socialist leader Ernest Glinne in Strasburg, by Vera Vegetti.  
"Glinne: 'Eurocommunists Could Be More United.'"]

[Text] Strasburg--[Question] A global pessimistic view of the present, past and future of the European community is customary today, as was in the past a triumphal demagoguery. The 25th anniversary of the Rome Treaty went by under the omen of a failure which seems to tear apart even the most realistic hopes and expectations. The "summit" of the 10 [countries] in Brussels confirmed that the paralysis is getting to the point of no return. Is there no future, then, for the unity of a Europe suffocated by a crisis, besieged by 10 million unemployed people? Or is it time that other forces, other than the government bureaucracies which until now ran EEC [European Economic Community] take on the destiny of Europe, the future of its peoples threatened by the same crisis? We are posing [this question] to Belgian socialist Ernest Glinne, president of the socialist group at the European parliament, the strongest political group of the Strasburg assembly, which is comprised of socialists, social democrats of every orientation, laborites from the 10 countries of the community.

[Answer] I believe that the most urgent matter now is the unity of the 10 countries' union forces. There is too much dispersion, too many independent actions right at a time when the social and economic crisis requires a political action from the left, which is difficult without a consensus and a coordinated mobilization of the social forces. See, for instance, the reduction of the work schedule: there have been isolated struggles and everybody lost. To win a battle like this, a coordination at a European level is necessary, a European Confederation of Unions acting as a real mobilization center. This is how I see, first of all, from a very realistic standpoint the necessity to go forward with the unity of Europe.

[Question] But this need for unity is hindered by the same internal divisions within the left and within the socialist group itself: English laborites hostile to EEC, Pasok's Greeks more than perplexed by their membership in the community, French socialists divided on different lines....

[Answer] Surely, the criticism I am expressing of the European unions coincides with the self-criticism of our political left. It is obvious that, at a

European level, the socialist group, the "eurocommunists" and other democratic forces have a potential for unity which they have not fully utilized.

[Question] On which issues could this unity come about?

[Answer] I am thinking of labor problems, of a dialogue between North and South, of problems connected with the reform of the community budget, of the development of new common policies in the field of energy, for example, or of regional development and, furthermore, of the wide area of women's rights. These are issues over which concrete collaboration should be possible.

[Question] And on the major political issues like the dialogue, detente, disarmament? Do you think that the Left can contribute to the creation of an autonomous policy for Europe?

[Answer] I believe that we must aim for a Europe, and I mean a community, more autonomous with regard to the U.S. allies and, therefore, capable of playing a more important role not only in the dialogue between North and South, but also on the international scene when conflicts arise like, for instance, in the Middle East. The European identity cannot be created by academic statements, but through a voluntary political process. The objective should not be, of course, that of taking systematic anti-U.S. positions, but to assess each situation and act accordingly with full autonomy and in function of the true responsibilities of the community. I spoke of the Middle East, but other areas where an autonomous initiative is necessary are, for instance, Central America and Austral Africa. These are issues over which Europe must present its own independent political views."

[Question] Middle East, Central America, Austral Africa.... And what about the problems of East-West relations and detente?

[Answer] I purposely did not mention these problems. The Polish commitment here is very heavy. And to manage it, something must change in Poland. It is not enough that we, the forces of the European left, reaffirm our old wishes....

[Question] Are you aware that, because of these snags, PCI [Italian Communist Party] is developing a strategy in search of a "third way" for building up socialism in Europe? To what extent can this elaboration (which is, at the same time a critical reflection on the past, on the history of the workers' movement) involve also European socialist and social democratic forces?

[Answer] There is, undoubtedly, ample room for a potential agreement and also for a real and already accomplished agreement between eurocommunism, which draws its inspiration from political pluralism, social democracy, the elaboration of a model of society proper of Europe and not copied and a democratic socialism which must be able to learn all the necessary lessons from the crisis.

[Question] From this common reflection can, therefore, rise a new concept of Europe?

[Answer] Yes, it is exactly from the common value that socialists and "euro-communists" attribute to liberties, and first of all to workers' liberties,

that a new image of Europe must rise, which must be greatly removed from the Far West and from the East and which must be made available to our peoples as well as those of the southern hemisphere. This latter is ill because of the confrontation between the two superpowers which is often played on its skin. Europe, without neocolonial nostalgia, has an extraordinary role to play also in this area.

9758

CSO: 3104/181

## YOUTH ORGANIZATION'S INFLUENCE IN SOCIALIST PARTY

Vienna PROFIL in German 26 Apr 82 pp 12-14

[Article by Robert Buchacher: "How Young Is the Old Man?--Is the SPOe Facing a Split Like Its German Sister Party, or Will It Win the Struggle for Youth?"]

[Text] Is the SPOe [Austrian Socialist Party] about to be split, or is the OeVP [Austrian People's Party] about to be split? The question seems bewildering and, as far as the OeVP is concerned, fairly unjust at a time when the SPD is fighting for its survival and the SPOe leadership is worried about tendencies toward a split in its own party ranks.

But the question appears justified from one standpoint: 2 weeks prior to the biggest peace demonstration ever experienced in Austria, both big parties find themselves in conflict with their young members. The SPOe to a greater extent, what with turbulences in other socialist parties: they are seeing the division of the British Labour Party and violent struggles among the wings of the SPD, which raise anxieties among the Austrian comrades.

Fear is for the moment manifesting itself about the "green platform" of SPOe Youth chief Josef Cap and former ABENDZEITUNG Editor-in-Chief Paul Blau. The party leadership considered it of enough importance to engage in an animated debate several hours in length. At its conclusion, the party's new chief integrator, Deputy Chairman Karl Blecha, tried to salvage whatever was left to salvage.

Deftly he converted the green-red Cap-Blau initiative into an "ecological working group" of the overall party. Using the motto "Make the most of it", he was successful in proclaiming party unity. Next came the TRIBUNE affair, the "magazine by socialists for socialists," which provoked Karl Blecha's outrage with renewed red-green agitation. Since Blecha thought to discern another intra-party secessionist move in this, he had the party leadership declare a thorough separation between the TRIBUNE and the party.

Blecha's over-reaction was immediately followed by an over-reaction from the TRIBUNE: it would be worth considering, said this publication of those who had at one time been Androsch's most violent opponents within the party, whether for strategic reasons Androsch would be more acceptable to the party's left wing as SPOe chief than Blecha; someone like Androsch would have to be concerned about the left wing on an almost daily basis so as to be able to

steer a centrist course. Blecha on the other hand, being a former leftwinger and SPOe programmer, appeared to be leaning toward the other side.

Then there was a violent disagreement between Kreisky and Cap, which started out in their respective TV interviews. Cap strongly denounced Ronald Reagan's "U.S. imperialism," and Kreisky described Cap as an unemployed youth who prefers Italian communists to the SPOe.

Cap, the party's perennial enfant terrible, had some trouble in returning to the Austrian party line--to him, he said, and to the party's young people, there was no other way.

However, at the Young Generation's SPOe party congress in Linz week before last, a certain new shift took place. With great self-confidence and never before demonstrated unanimity, the party's youth indicated to its fathers and grandfathers, its mothers and grandmothers, that its green dreams of a peaceful world were more than just a fad.

Kreisky's deputy Karl Blecha and Central Secretary Fritz Marsch had rushed to Linz to express there also their worry about separatist tendencies within the party. The young people were not impressed and immediately went on the offensive: the party youth, they said, was fully supportive of the SPOe party program and was the wrong group to talk to about secession worries.

On the contrary, they indicated, the potential fault line in all social democratic parties runs between socialists having a democratic-tolerant and party loyalist attitude on the one hand, and system-bound doctrinaire politicians who are intolerant and power and growth-oriented on the other.

Nor did they hesitate to name names: Blecha would be better advised to look for real threats to the party among the likes of Androsch, Muehlbacher and Hesoun within the SPOe.

The Young Generation members did not even hesitate to use blasphemy: Kreisky, they said, was impairing meaningful youth participation by publicly lambasting Socialist Youth chief Josef Cap in such a vicious manner. He was the one guilty of undemocratic actions, they said, when he singlehandedly and without discussion in the party organizations decreed the construction of the conference center.

That is pretty strong stuff. A relatively short time ago, the Young Generation would not have dared to attack the party and its chairman in such a manner. It appears to feel very strong, and it probably is. Fritz Marsch, who in Linz described the platform for the 15 May peace demonstration as "onesided" and requested the young people to rethink it some more, was given short shrift. He was made to realize that this was a platform which had been formulated in a democratic manner and with an overwhelming majority by the federal youth organization. Marsch's only choices were to either change his mind or, if he were to persist in his criticism, to let himself be roundly booed.



And after everything that the party leadership was forced to listen to by the young people for many weeks, there was no renewed thunder from Kreisky--quite the contrary: after the meeting of the council of ministers last Tuesday, Kreisky assumed the role of the young old man. Completely in accord with the party's young members, he declared that during the next elections his two principal issues would be environmental protection and integrity.

The first of these postulates is Kreisky's insight into the happenings in the FRG and in the SPD; the second is Kreisky's reaction to an intra-Austrian shock. Until now, the SPOe had been able to state that none of its politicians had been involved in any scandals, (though bearing some responsibility); this was not the case for the OeVP. Now for the first time an SPOe delegate, Styrian parliamentary backbencher Franz Willinger, is suspected of personal involvement in a bribery case.

Whatever reasons Kreisky might have for his policy direction, there has been a mood of spiritual awakening, even victory, among the young people since Lirz and Kreisky's declaration. The SPOe Young Generation as well as the Socialist Youth do not consider themselves as representing a movement involving only one generation; they have many allies among the party elders all the way up into the government.

And they consider Kreisky's declaration to constitute a boost to their "allies" in the government: the "environmental protection" issue constitutes massive support for the committed Minister for Health and Environmental Protection Kurt Steyrer. And the integrity issue is also interpreted as support for all loyal partyline socialists.

The same man whom as recently as a year ago they criticized as being "a right-winger from Tyrol", Minister for Finance Herbert Salcher, is becoming a new role model for the young people in that specific issue. The chairman of the working group "Christians and Socialists" (ACUS), who has on several occasions expressed himself critically about armament and weapons exports, today is also serving as a synonym for integrity. Salcher is forever being praised as being a man who is too decent to lower himself to engaging in mudslinging with the "Androsch clan."

If they regard Salcher as a rallying point for the desired alliance with committed Christians in the peace movement, they see in Johanna Dohnal a liaison with the womens' and also the peace movement. And as catalysts between ecology and economy--including alternative movements--they see Dallinger, Lanc and Steyrer as certain guarantors within the governmental team.

The young party members appear to regard the task of winning the new social movements for social democracy, without at the same time losing the SPOe's central strata, as being the main problem of the waning century. In contrast to the SPD, they appear hopeful that this goal will be attained by the SPOe. At the same time they are forecasting that among those movements, especially in the peace movement, the OeVP will lose the struggle for youthful followers.

How this struggle for the young people will indeed come out, nobody knows. Taking the FRG as an example, one would think that the SPOe, rather than the

OeVP, would lose. But, the young SPOe people claim, with some justification, that the FRG and Austria are no more comparable than are the SPD and SPOe--there just is too great a difference in their respective geopolitical situations and development.

There is even a basic historic difference between the SPD and the SPOe: under the Weimar Republic, the SPD was a participant in the government; nevertheless it was unable to take a decisive majority of the workers' movement under its wings. Next to it there was a strong communist party.

The case of Austrian social democracy was quite different; within an admittedly much smaller country, it developed an unheard of integrative power, so much so that nothing worth mentioning has developed to its left to this day. Under the First Republic it was already the strongest alternative movement in Central Europe, with a united alternative workers' culture which, to the amazement of other countries, had a flourishing history in the Red Vienna of the period between the world wars.

The deciding factor today however appears to be the difference in the geopolitical situation of the two countries: the FRG is a NATO state; not to put too fine a point on it, it might even be considered as occupied by the United States; its government is bound by some considerations which do not exist in neutral Austria. Finally, the SPD is not the sole governing party--it must consider its coalition partner.

All that has brought the SPD into continuously increasing controversies with its specific goals, which were not even as well defined in the Godesberg Program as are those of the 1978 SPOe program. Under Chancellor Helmut Schmidt, the SPD leadership acted at an increasing distance from the new movements, a captive of the circumstantial system which clearly imposed its decisions upon it.

Under those circumstances, integration fell increasingly by the wayside; within in the party itself an alternative party grew up which failed increasingly to identify itself with its own government representatives and their policies.

The Austrian situation is entirely different: a neutral country which enjoys fairly wide political latitude--ranging from arms exports to Argentina all the way to receiving Qadhdhafi in Vienna--having the tradition of Austrian social democracy and Bruno Kreisky as an integrative figure.

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CSO: 3103/456

## KHOMEYNI SUPPORTERS, OPPONENTS CLASH IN MAINZ

## Attack by Khomeyni Supporters

Hamburg DER SPIEGEL in German 3 May 82 pp 28-31

[Article: "Profound Darkness--Khomeyni Supporters, Raising Shouts of 'Allah,' Beat Up Khomeyni Opponents"]

[Text] Chemistry student Marion Hamm, 28, a tenant on the seventh floor of the Mainz student home "Inter I," was about to "drop in on a girl friend higher up" when Iranian fellow students from next door poured out of their rooms shouting, "The Pasdaran are here."

A glance out of the window revealed a martial picture. "From 80 to 100 people," according to Marion, "were approaching in goosestep and single file, heavily armed with sticks, knives, cable and chains, shouting in unison "Allahu akbar"-- God is great.

Before nearly 100 Iranian students living in the home together with 138 German fellow students could properly grasp what was going on, the visitors had reached the parking area and immediately thereafter had entered the premises. Cries for help and shouts of fear could be heard throughout the home, tear gas enveloped the staircase, and wounded persons were writhing among parked cars.

Marion Hamm, meanwhile having fled to the 13th floor, was about to dial the emergency number when "someone behind me grabbed the receiver from me and then tore out the cable." On the seventh floor a mathematics student shoved his heavy wardrobe against the entrance of his room when the shout of "God is great" outside signaled trouble.

The door broke open, the wardrobe fell to the floor, and there was a clanging of glasses and china. A short fat man attacked the mathematician, beating him over the head with a rock. Then the student was dragged into the hall and forced to lie down on the floor while two men ransacked his room and took along his passport.

It was 1855 hours when the police radio directed available police from Mainz, Wiesbaden, Ingelheim and Oppenheim to the University of Mainz because of a "huge fracas."

When the first ambulances arrived, people were shouting in unison in front of the home, in German, "Down with the USA" and "Down with fascism." And if someone did not yet know who the invaders were who had come at the vesper hour were, he now found out when someone shouted, "We are ready to die for Khomeyni."

As could be established later, about 150 attackers had advanced against the Iranian students in Mainz. Ambulance attendants took away 28 wounded, all opponents of Khomeyni. On the 7th, 8th and 9th floor, 11 rooms had been singled out for ransacking.

Confiscated fighting equipment comprised 48 ropes of cable, 22 pieces of wood with nails, 3 nunchako stranglers, 3 pieces of metal pipe, 1 broadax, 9 spray cans of irritant CS gas, 5 knives and some sacks filled with rocks.

The bloody spectacle on the campus of the sleepy Gutenberg University, where even during APO [Extraparliamentary Opposition] times things proceeded in a well-behaved provincial manner, in the opinion of VfS [Office for the Protection of the Constitution] personnel might be the prelude to a new series of violent actions in the fight between Iranians loyal to Khomeyni and opponents of the ayatollah.

"This is only the beginning," announced the Pasdaran in Mainz--those Iranian Revolutionary Guards who previously could only be seen in television reports from Tehran. Cologne VfS personnel and Federal Criminal Police Bureau (BKA) experts on foreign affairs are taking the threat seriously.

Three years after the change in power in Tehran, the third phase of an intra-Iranian confrontation in West German soil has begun.

At first, shortly after the expulsion of the shah, Khomeyni supporters had pursued leading agents of the shah's secret service, SAVAK. Then, last year, violent opponents of Khomeyni attacked the embassy and consulates of their homeland in Bonn, Munich and Berlin and demanded "protection against Savama," the new Iranian secret service. Now once more Khomeyni opponents [sic] went into action, possibly at the behest of that secret service.

To prevent such imported riots, Rhineland-Palatinate Minister-President Bernhard Vogel, as well as his minister of the interior, Kurt Boeckmann, and the leading Mainz senior public prosecutor, Werner Hempler, tried "to give a quick and clear signal" (Boeckmann)--to deport all 86 Khomeyni supporters arrested after the attack.

These, almost without exception, gave their names as "Mohammed Musliman," and this evidently coordinated identification by the universally known Arab name was not the only thing which made police investigations difficult. The police also wanted to avoid confrontations with the victims in order not to provoke reprisals against relatives in Iran.

So until late last week it remained unknown just who had beaten up whom and why. "As regards our evidence," said a BKA man describing the situation, "we are surrounded by profound darkness."

It did become clear, though--as Minister of the Interior Boeckmann put it--that the action "definitely was centrally directed." In the opinion of Mainz Justice Minister Waldemar Schreckenberger, it "very much looked as if the embassy had something to do with it."

Detective Hempler knew that a part of the squads had come by car from Aachen, Hanover, Kassel, Darmstadt, Dortmund and Cologne, carrying not only clubs but bandages. Another group evidently had come by train from Hamburg. Others, according to conclusions the Mainz police thought they could draw from pointers by witnesses had "probably come from the embassy or such"--a suspicion contradicted by Ambassador Mohamad-Mehdi Navab-Motlaq in an interview with DER SPIEGEL (page 30 below).

By the end of last week, the police had been unable to establish whether a mullah named Hadi Qaffari from Tehran, whom opponents of the regime call the "chief of a hit squad," had been present in Mainz. Some eyewitnesses claim to have seen the Muslim priest at the time of the action--not in official garb but in western dress--on the other side of the highway which leads past Mainz University. Several times previously Qaffari had been seen with some followers in Hamburg, and then later also in Frankfurt.

Nor was it possible for the Mainz police or for the BKA definitely to identify the documents which had come into the hands of the Mainz VfS. "Maybe genuine, maybe not" was the way a detective commented on a "strictly confidential" instruction to Ambassador Navab showing the "Foreign Ministry" of the "Islamic Republic" as the sender.

The letter mentions the dispatch of a "delegation" of 16 Tehran people to Frankfurt, asking Ambassador Navab to procure quarters for them "away from the purview of the authorities, where one can come and go without surveillance."

The document also states that "in the event that the delegation encounters difficulties in fulfilling its secret mission" Ambassador Navab must intervene "without...the press being informed or any international reaction being provoked."

Ambassador Navab describes the letter as a forgery. Yet the assertions of the former Iranian consul in Hamburg, Kamran Malek, who in October together with three other diplomats quit the service of the Khomeyni regime in protest against "mass murders and executions in Iran," might support the story that Qaffari or another mullah in Mainz pulled the strings. Malek had told the press that there were "only two professional diplomats left" in the Iranian Embassy in Bonn, the others being revolutionary cadres and employees of the secret service, Savama.

While men and information behind the scene were prompting speculations, the police established "virtually for certain" what had triggered the action of the punitive squads. Three days before, two Khomeyni supporters of "Inter I" had kicked an opponent of the regime in a telephone box on the campus. The person who was attacked ran into the home and on the ninth floor called for aid from friends of his.



Meanwhile the Khomeyni supporters together with four other brothers-in-Allah had barricaded themselves in a room. When a police patrol arrived to straighten things out, a witness stated that those who had barricaded themselves were "representatives of the Iranian Embassy ferreting out opponents of the regime here and elsewhere."

After some to and fro the patrol gained access to the room, and temporarily detained the six to establish their identity because some electric cable and other battering material had been found in the room.

Ambassador Navab intervened with the police in Mainz. Two persons whose identity the police had noted at the time, Daniel Rousha-Nafas and Muhammed Ali Kavian-Talouri, again were seen during the big fracas on Saturday. Some students suspect that it may have been these two who sounded the alarm with the embassy and reported in detail which rooms were inhabited by opponents of Ayatollah Khomeyni.

The avengers then had the information they needed.

#### Ambassador Denies Involvement

Hamburg DER SPIEGEL in German 3 May 82 p 30

[SPIEGEL interview with Iranian Ambassador Mohamed-Mehdi Navab-Motlaq about the Mainz Fracas: "'My Conscience Is Clear'"]

[Text] SPIEGEL: Khomeyni supporters beat up critics of the ayatollah's regime and attacked them with knives in a student home in Mainz.

Navab: Confrontations of Iranian students in the Federal Republic are nothing new. They are almost always provoked by enemies of the Iranian revolution, by supporters of terrorist organizations. I am not yet sure exactly what happened in Mainz.

SPIEGEL: Perhaps you read the papers. The beating up in Mainz was done by Khomeyni fans, not by opponents of the regime.

Navab: I cannot rule out emotional reactions by people who themselves are often targets of attacks. Previously terrorist opponents of the revolution had attacked our embassy in Bonn, invaded the Islamic Center in Hamburg and thrown Molotov cocktails into student quarters in Wuppertal.

SPIEGEL: In other words, what happened in Mainz was an act of revenge? The police have received information about the squads, with their clubs and chains, having been assembled and dispatched by the embassy.

Navab: I deny any participation by the embassy. This is a false report of the Mainz police. My conscience is clear.

SPIEGEL: According to witnesses, four buses in which part of the hit squads arrived had diplomatic license plates.

Navab: That cannot be so. Our cars here are all registered. That can be checked.

SPIEGEL: Had some of the Revolutionary Guards who were arrested been flown in from Tehran?

Navab: No. That can be checked. The two countries have a mutual visa requirement.

SPIEGEL: Perhaps they had diplomatic passports?

Navab: That's ridiculous.

SPIEGEL: Do you know the mullah Hadi Qaffari?

Navab: I know Mr Qaffari.

SPIEGEL: He is the leader of a Revolutionary Guard in Tehran and is said to have directed the action in Mainz by radio. Iranians claim to have recognized him.

Navab: That is not right. He did not participate. He was not in Mainz. He is a deputy of the Iranian Parliament.

SPIEGEL: Mr Malek, former Iranian consul in Hamburg, who quit the service in October in protest against the executions in Iran, claims that there are only two professional diplomats left in your embassy in Bonn, the others being revolutionary cadres.

Navab: There are no members of the Revolutionary Guards in this embassy.

SPIEGEL: There are documents in the hands of German authorities according to which you, the ambassador, received instructions from your government to hide from the police a delegation of 16 persons charged with fulfilling a secret mission here in the Federal Republic.

Navab: All these so-called circulars that are being handed around here by supporters of Iranian terrorist groups are forgeries.

SPIEGEL: You have visited the arrested Revolutionary Guards in their cells. What do they say?

Navab: That they want to get out. All I have spoken to complain about having been maltreated by the police after their arrest. They told me that they were beaten, with some of them even having their testicles pulled, because they did not want to give their names.

SPIEGEL: Almost all of them say they are called Mohammed Musliman. Why don't they want to say who they are?

Navab: They told me they are afraid of their relatives in Iran falling victim to terrorist attacks by opponents of the revolution.

SPIEGEL: Many of the 86 arrested are on hunger strike. Did you advise them to take such action?

Navab: It is not my business to advise, but only to help if I am needed.

SPIEGEL: Why the hunger strike?

Navab: Because, as far as the German police are concerned, there are two kinds of Iranians--opponents of the revolution and friends of the revolution. Two standards are being applied. If opponents of the revolution beat up Muslim students and attack and smash Iranian installations, this is viewed with indifference, and the culprits are set free again after a few hours. But as soon as Muslim students who are in favor of the revolution are arrested, immediately tougher measures are taken.

SPIEGEL: In Mainz it is a question of breaking the peace and inflicting heavy bodily injury. The victims are lying in the hospital, are walking with crutches, are wearing casts.

Navab: I am sorry about that. I am against any use of force.

SPIEGEL: Even when such force is applied by fighters for the Islamic revolution against opponents of the regime?

Navab: Even then. One should note, however, that Muslim students do not enjoy any protection in the Federal Republic. Even the members of the embassy have been deprived of the protection of the law and can be beaten up and robbed. No legal proceedings are initiated.

SPIEGEL: The prisoners in Mainz warn that the German Embassy in Tehran is now in jeopardy.

Navab: The German Embassy in Tehran enjoys better protection than any other embassy in Iran. And the Germans living in Iran need not worry.

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## BERLIN FDP REJECTS COALITION WITH CDU

Bonn DIE WELT in German 26 Apr 82 p 5

[Report by Axel Schuetzsack: "Berlin FDP Takes Stand Against Coalition with Weizsaecker Senat--Land Chief Kunze Prevails Against Right Wing"]

[Text] Berlin--After a lively debate, the Land party congress of the Berlin FDP has taken a stand against a coalition with the Weizsaecker Senat in the current legislative period. It adopted, with a vote of 141 against 91, a guiding proposal by the Land executive which, while approving the past support of the CDU Senat by a majority of FDP deputies, rejects coalition negotiations with the CDU.

The large majority in favor of the proposal of the Land executive was a surprise, however, since shortly before only a narrow majority (125 versus 122, with 2 abstentions) had rejected an amendment by representatives of the right wing aimed at keeping the coalition question open.

Already during the opening of the Land party congress there had been tumultuous scenes when Charlottenburg Delegate Otto Hoffman, a close confidant of Land Chairman Juergen Kunze, was not elected party president. Instead the executive manager of the FDP deputies in Parliament, counted among the right wing, prevailed with a vote of 121 versus 118.

In the election of delegates to the national party congress, as well as in the election of an FDP member to serve on the Radio Council, the left wing continued to dominate in the Berlin party. Former Land Chairman Wolfgang Lueder, who belongs to the left wing, was elected a delegate to the national party congress with 140 votes, with Horst Vetter, representing the right wing managing to get only 111 votes. In the election of a member of the Radio Council, Kunze prevailed with 133 votes against Walter Rasch, proposed by the right wing who got only 108 votes.

In his opening speech to the party congress, Kunze urgently warned the delegates against a "backward-oriented dogmatism," at the same time enjoining the left wing to tolerate the Weizsaecker Senat since at present there was "no alternative capable of action over the long term." At the same time he tried to enlist support for the guiding proposal submitted by the Land executive, which clearly aimed at preventing a coalition with the CDU

minority government at the cost of the FDP deputies tolerating the Weizsaecker Senat.

Kunze made it clear at the same time that it was not possible "to form a coalition" with him "in this legislative period." As a member of the Chamber of Deputies, he said, he continued to adhere "without any if or but" to the statement made by Hans-Dietrich Genscher before the election that a coalition with the CDU was out of the question as far as the Berlin FDP was concerned.

The leader of the FDP deputies in the Chamber of Deputies, Horst Vetter welcomed the decision of the Land executive to suspend the party disciplinary proceedings against FDP deputies supporting the CDU Senat. Nevertheless there continue to be discrepancies between the Land executive and the deputies, he said.

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## COMMENTATOR SEES NO PROGRESS IN FRG/GDR RELATIONS

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 4 May 82 p 1

[Article by Ernst-Otto Maetzke: "Nothing Was Left But Guestrow"]

[Text] FRG Minister Ranke, who participated in the chancellor's visit to the GDR last December, has recently acquainted the public with the thought that the GDR leadership would continue to permit the exchange of increased amounts of money for the purpose of traveling to the GDR. This constituted the end of the communique concerning the Schmidt-Honecker meeting on Lake Werbellin. One would do well to read it over carefully once more and to tolerate the resulting stale taste in one's mouth in order to arrive at a final evaluation of that event.

There has been absolutely no change in the explanation of the "differentiated interpretation" of the minimum money exchange which, it will be recalled, had been decreed a few days after the Bundestag election in the fall of 1980--not even for adolescents or pensioners from the FRG who wished to travel to the GDR. But this is merely the most visible manifestation of the lack of results achieved by the meeting of the FRG chancellor and the party chief and head of state of the GDR. But the remaining failures are no less unfortunate.

The determination to "strive for a good neighborly relationship," which was allegedly emphasized at Lake Werbellin, is an even more hollow ring than it did 4 months ago. Nothing has come of the intentions expressed at that time to continue negotiations and discuss about various subject matters". Schmidt's exchange of views with Honecker about "urgent problems concerning environmental protection," including water purity protection and the expectations arising therefrom, have not even led to an exchange of information, let alone the initiation of "concrete solutions." There is no evidence of the "constructive spirit" in making efforts to deal with hardship cases in reuniting families. Nothing has come of the exchange of views about working conditions for journalists except for some words about "the great significance of comprehensive information to relations between the two German states." The great mass of euphemisms concerning "all principles and resolutions of the Helsinki accords" even sound like a mockery in view of the more recently decreed GDR border law, which is not compatible with them.

What then is left of the FRG chancellor's spectacular trip to the communist German state, which was meant to be his maximum effort toward improved

relations with it? Not only a big zero which, following a great and even obstinate political effort, resulted in a negative result by itself, but in fact, caused measurable damage. The principal remainder is a heap of rubble: the horrible event of Guestrow, where the GDR regime demonstrated to him in a small Mecklenburg district town that his demands for human rights for Germans there, which he had pronounced in the guise of a desire for a means of contact, resulted in nothing less than especially excessive violations of human rights --ruthless house arrest of the population; demonstrative denial of freedom of opinion and a massive deployment of security police.

It is to be hoped that the inner-German relations policymakers of this or the next FRG Government will not forget or gloss over this lesson which was coldly given to the FRG chancellor by the GRD's council of state chairman. More specifically, the chancellor will carry with him the memory of an embarrassing byproduct of his trip: he had a meeting with Honecker on the very day that martial law was proclaimed in Poland and, at Schmidt's insistence, "both" expressed a hope for agreement between "the two Polish forces currently engaged in conflict with each other." Also, that Honecker at the very end had gotten the better of him. So much for that.

We would do well to remember the result of this meeting and at least in retrospect to gain the insight that it could have been easily predicted. But such simple foresight was purposely avoided--by the FRG Government as well as by the Germans on both sides of the line of demarcation. Instead this meeting, which after two futile efforts finally came about at the worst possible moment, was touted as "valuable in itself" beforehand; even while it was still in progress, it was praised as being an alleged means for "increased mutual confidence." Immediately after its end, all hints that the chancellor had returned empty-handed were undesirable and practically forbidden. That is the most amazing part. All these frantic attempts to cling to illusions despite the obviously negative results constitute another political debit.

For over a decade this country's inner-German relations policies have suffered primarily from underestimating its opposite numbers. It is possible, even desirable, to conduct negotiations and discussions and to sign agreements with the regime of the GDR. It is mandatory, even. But there must be no doubt at any moment as to whom the representatives of the FRG are facing across the negotiating table. Of all the mistakes which can be made by politicians, underestimating the negotiating partner is always the worst. But it is just this mistake which has been inherent in the FRG's inner-German policies from the very beginning.

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## CDU DOES NOT RULE OUT CDU/SPD COALITION IN HAMBURG

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 6 May 82 p 4

[Report by "k.w.": "CDU: If Need Be, Even a Grand Coalition--Results of Hamburg Poll--Opening of Hot Phase of Election Campaign"]

[Text] Hamburg, 5 May--According to the two leading politicians Echternach and Perschau, a grand coalition, while not being aimed at, has not been definitely ruled out by the Hamburg CDU for the period following the 6 June election in Hamburg. It is the duty of a democratically elected parliament to form a government capable of mustering a majority, Land chairman and Bundestag Deputy Echternach said in Hamburg Wednesday [5 May]. The way the polls have it at present, there is a possibility that either the two big parties will have to embark on the same road together or that a Social Democratic minority Senat will be formed which would have to depend on being tolerated by the Green-Alternatives. FDP Federal Chairman Genscher at the latest Land party congress in Hamburg voiced the suspicion that arrangements about a grand coalition had already been made. Mayor von Dohnanyi (SPD) has denied this explicitly, ruling out, as far as he is concerned, any participation in such an emergency coalition. He said he had found out what such a coalition was like during the grand coalition in Bonn in the late 1960's.

The Hamburg CDU concludes from such and other statements by the mayor and leading Social Democratic candidates that Dohnanyi is contemplating the possibility of a minority Senat which would have to be tolerated by the Green-Alternatives. The Green-Alternatives, whom all polls consider to be virtually certain to gain access to the city parliament, have opted against any participation in the Senat and for a "radical" opposition. The Green-Alternatives are, however, prepared "under certain conditions...to enable" an SPD minority Senat "to enjoy a majority." These conditions, including the withdrawal of economy measures in the social and educational sector, a far-reaching employment program and a fundamental change in the Hamburg energy concept, would have to be accepted and implemented by an SPD Senat.

This prospect was described as "outlandish" by CDU chief Echternach on Wednesday. Echternach charged that Mayor von Dohnanyi was "irresponsible" and had a "strange idea of democracy" if he intended to make a minority Senat a "tool of undemocratic forces despite the fact that presumably 90 percent of Hamburg voters would opt for democracy. Perschau, the leader of his party's deputies in

Parliament, said concerning a grand coalition as the only way out that, as matter of principle, all democratic parties had to be capable of a majority. Therefore as far as the CDU was concerned, in principle no coalition was ruled out except one with the Green-Alternatives. In connection with Dohnanyi's behavior concerning the possibility of a minority Senat tolerated by the Green-Alternatives, Perschau said that one must not favor a situation "in which a radical tail wags the democratic dog."

The CDU inaugurated the hot phase of the election campaign on Wednesday night with a big affair staged at the Convention Center. As Echternach put it, the participation of the two minister-presidents from the CDU-governed neighboring Laender, Stoltenberg and Albrecht, alongside the Hamburg candidate for mayor Kemp characterizes the "broad aid" by the entire CDU for the Hamburg CDU before the parliamentary election. The calendar of events for the next 4 weeks includes an array of party VIP's, except CSU Chairman Strauss, leading up to the concluding event attended by CDU Chairman Kohl on 3 June. A special feature, such as so far has been witnessed only in Berlin, is a solidarity action of all Land party organizations on 15 May. This big event, which will also include folklore kinds of contributions, will be held under the motto "Everyone is crossing his fingers."

The top candidate, Kiep, will cope with almost 150 events, which may be seen as being divided into 3 groups. In addition to the traditional evening events, there will be a program of intensive talks with associations and institutions "in the antepolitical sphere." As the final phase of the election campaign begins, these activities will be joined by a street action with direct appeals to the individual citizen and with the assistance of a "Kiep team" in white uniform consisting of members of the Junge Union [CDU youth organization]. Kiep will be the focal point of the entire canvassing for votes. Clearly the plan is to point up the central issues of the election program together with a picture of the leading candidate. In addition to distributing 10,000 placards to be erected all over the city, the CDU is covering a total of 400 large areas, primarily with a portrait of Kiep, with the giant placards there being exchanged every 10 days. This election poster campaign will begin for all parties on Friday [7 May], exactly 30 days before the Hamburg election.

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## PROSPECTS FOR FDP, CDU IN HESSE ELECTIONS

Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 23 Apr 82 p 5

[Article by Wolfgang Baumert: "Scuffles on the Perimeter--Alfred Dregger Has Good Prospects"]

[Text] Holger Boerner is desperately trying to avert probable defeat in the 26 September election. But first the FDP must make its coalition statement.

Everyone talks about the FDP as if it were for the last time. The party leadership in Wiesbaden surely does not see the situation in such desperate straits. But there is no doubt about the fact that the Landtag [provincial diet] election in Hesse on 26 September requires strategic decisions by the Free Democrats already in the preliminaries, decisions which may throw their shadows far beyond the borders of the Land.

Such is the liberals' present situation. It is thought that intra-party discussions will have progressed to such an extent by the time of the Land party congress on 17 June that it will be possible to come up with a coalition statement at that time. On that occasion the results of the Munich SPD party congress will have as much weight in forming opinions as will the Hamburg elections of the preceding week. For the first time in 12 years of cooperation with the SPD in the Hesse Land government the question is seriously raised whether a closer approach to the CDU is not the FDP's solitary chance of survival. The Hesse CDU, led by Alfred Dregger, emerged as the strongest party in the last two Landtag elections, but was twice eliminated from the government by virtue of the liberals' coalition with the SPD.

## The FDP Looks for Reasons for Reorientation

According to the pollsters' predictions, the era of the three-party system, during which the FDP usually enjoyed the role of majority tie-breaker, is over. In the uproar over the construction of the Frankfurt airport runway, in the continuing battle over nuclear power plants and in the reconstruction pits of the Autobahn projects the Greens have gained so much strength that they can face an election with confidence. They even managed to rebuff left-liberal airport blockader Alexander Schubart, with his plans for uniting alternative groups up to and including the communists, to such an extent that they have retained their access to the middle-of-the-road voter potential.



The CDU victory in Lower Saxony, the disastrous losses by the Social Democrats and the return of the FDP to the Lower Saxony Landtag, which previously had indicated its readiness to enter into a coalition with the Christian Democrats, resulted in loosening the left-liberal chastity belt in Hesse also, which until now has been holding together the last of the Land coalitions of the 1969 type. The issue is no longer left-liberal leanings, which continue to predominate in the Hesse FDP, nor cooperation with highly esteemed partner Holger Boerner--the issue is simply whether or not there is a chance of the desire to retreat from the abyss into which the Social Democrats seem to be falling. The question of whether the Munich party congress will provide a turn for the better rather than additional hardline attitudes, is for that reason also anxiously being asked by those who favor a new coalition with the SPD led by the Hesse liberals. Pressure on the SPD would in fact even increase if the liberals, by stating a premature desire for a coalition with the CDU, would already now cut the ground out from under the Social Democrats. On the other hand, they are fully aware that a closer approach to the CDU might be punished by the liberal swing voters as cruel opportunism. Thus the FDP leadership is carefully exploring reasons for a reorientation, which preferably should be furnished by the Social Democrats themselves.

Apart from the perennial squabbles in Bonn, coalition partner Boerner's statements in favor of a labor market tax for civil servants and a supplementary tax for higher-bracket incomes as a means of job creation must have been regarded as a gift from heaven. FDP Land Chairman and Minister of the Interior Ekkehard Gries rebuffed these proposals furiously, thus strengthening his leadership position versus that of his intraparty rival, Minister for Economics Klaus-Juergen Hoffie. In the past the latter had already shown open leanings toward the CDU and thus is now riding high without lifting a finger.

At least for the present, the pollsters interpret this development to mean that for several months the SPD and FDP in Hesse have not had a majority among the voters; that the CDU can count on an opportunity for an absolute majority and therefore for the agile Alfred Dregger to become minister president; and that the Greens are safely overcoming the 5 percent obstacle. At the same time, a critical factor for the FDP in this situation is the fact that this trend would gain impetus if the FDP would endorse the CDU.

Nevertheless, the Hesse FDP will not be able to postpone its decision indefinitely, no matter how it twists and turns. In any case, the statement that a Berlin-type situation must be avoided will no longer be sufficient.

Unlike in the past, the CDU no longer sees itself in the role of the perennial suitor. Rather, the mood in CDU headquarters is one of reserve and caution; it is said that the FDP must make its own decisions and that there is no intention of urging it on.

The CDU is therefore letting things develop at a measured pace and is making preparation for the fall offensive. There are no official coalition offers to the FDP, but it is one of the options being talked about. These considerations even include the possibility of an offer to share in the government if the FDP should be chopped off by the 5 percent guillotine. It is constantly

repeated that the CDU had always made itself accessible to the FDP during the last 12 years, and that now the next step is up to the liberals.

If the liberals are nevertheless groaning over the quasi-indecent proposals by the CDU, the reason is not so much the Union's impetuosity, but rather the misgivings about the necessity for decisions which must be made. Thus it was very much in the liberals' interest to publicize a long-standing local offer by Frankfurt's CDU Mayor Walter Wallmann and to impute a goal-directed and inappropriate topicality to that offer. Some time ago Wallmann had offered to the Frankfurt liberals, who during the last communal elections had fallen through the 5-percent safety net, to accept one of their people, specifically a "middle class" party member, as a member of the communal magistrate. Now this offer has been made public, supposedly to demonstrate alleged CDU strategy, and has possibly become ineffective before a decision is even made.

#### Wiesbaden's Reinforcement to Bonn Power

Turning away from all these auxiliary battlefields and coalition speculations, even today we can discern clearly the field on which late next summer the decisive battle will be fought. It is the area of economic policy and especially the burning issue of high unemployment. The CDU as well as the FDP are engaged in occupying the position. There surely was no necessity for the statement by CDU National Chairman Helmut Kohl, which was not exactly greeted with enthusiasm by his Hesse party members, that Hesse was the base from which the Bonn government coalition would be toppled. In any case Bonn's SPD leadership is considering itself to be engaged in sort of a second Bundestag election campaign.

This was the reason for the efforts made at the Munich party congress to reestablish long-lost unity at least on the economic front. It was also the primary reason for the announcement from Wiesbaden that Chancellor Schmidt would intervene "massively" in the Hesse Landtag election in order to support the SPD, which has governed there uninterruptedly for 35 years, as a pillar of his power in Bonn.

To keep this in a strategic context, the SPD is treating the economic and unemployment subjects in a defensive manner, while the CDU has jumped upon these themes offensively. In view of this battle situation, FDP chief Gries plans to question both the SPD and the CDU during the coming weeks as to points of possible agreement and disagreement. If economic policy should turn out to be the decisive factor, the answer would probably significantly favor the CDU.

Contrary to the SPD, the Christian Democrats led by Alfred Dregger are less in favor of artificial stimulation through new tax increases, but rather believe in the self-healing powers of a free economy which would be inhibited by the SPD, which is paralyzed by intra-party controversies. In this context, it is not so much a radically new beginning that is being looked at, but rather the reestablishment of a disturbed order. The CDU claims that social security and private prosperity can be ensured only in the climate of a healthy, reanimated economy. But that again, says the CDU, can be attained only through less "central government" and a tax cut, rather than by increases intended by the SPD.

In the CDU's opinion, financed investments amounting to about DM 20 billion could get started on 50,000 new jobs created even without the use of additional public financing, if a series of long-term projects (nuclear reactor construction, airport enlargements, special disposal facilities, dams and road construction) were to be initiated, which the SPD had been "blocking for ideological reasons." In addition, it would be attempted to stimulate the economy through special writeoffs and support for new technologies. Also, the flood of existing laws should be carefully examined before new ones could be decreed. The CDU would even advocate an examination of placing state-owned enterprises into private hands.

The SPD is extremely defensive toward the foregoing. Driven by the disastrous necessity of regaining widely lost confidence, the work is being circulated that the situation in Hesse is not as bad as it is in the federation. "We don't have an Eppler," and Wiesbaden is not Bonn. Boerner is seen as an honest broker who must prescribe bitter pills to heal the economy and to create new jobs.

"After 8 awful years" of making gains without actually winning, Alfred Dregger appears to be standing at the threshold of power in Hesse. The hardline image of this conservative law-and-order man, which were continually stressed by his adversaries in the past, has long since been superseded by a different image of this politician in the eyes of the public. He fairly radiates trustworthiness and strength, which are supposed to bring the lost cart back onto the right track.

9273

CSO: 3103/453

## BRIEFS

CP MINISTER TO DEFENSE COMMITTEE--On Friday the President of the Republic invited Communications Minister Jarmo Wahlstrom (Communist) to be a member of the Defense Council. At the same time the president extended the term of Lieutenant General Aimo Pajunen, office chief in the Defense Ministry, in the Defense Council by 3 years. The chairman of the Defense Council is Prime Minister Kalevi Sorsa (Social Democrat). The Defense Council also includes representatives of the government and defense forces as well as permanent experts. All the ruling parties are represented in the Defense Council. Wahlstrom was appointed to the council as a representative of the government's Communist faction. [Text] [Helsinki HELSINGIN SANOMAT in Finnish 17 Apr 82 p 4] 10576

## PARLIAMENTARIAN VIEWS SITUATION IN CENTRAL AMERICA

Rotterdam NRC HANDELSBLAD in Dutch 22 Apr 82 p 7

[Article by Aard Nuis, member of the D'66 fraction in the Second Chamber:  
"Backing the Guerillas in Central America Too Simplistic"]

[Text] It was in the evening on a terrace when an involved Dutch journalist raised his voice to tell us: members of parliament rushing through Central America in one week are not qualified to voice opinions on the complicated and bloody conflicts in that area. Here is a certain element of truth. Such travels should make a person, conscious of his own inadequacy, more reticent. However, it is the politician's self-imposed fate that he may be asked at any given moment to pass judgement on everything connected with, or possibly connected with, policy decisions. Such a short trip full of conversations with representatives of widely divergent groups, supplementing the information available in The Hague, then becomes very handy.

There is every reason to look back again on our attitude towards Central America. The elections in El Salvador show that the people really want to vote, and a great majority apparently dislike the guerillas. The indignation about the death of the journalists pushed that fact in the Netherlands to the background, but in the area itself it is generally recognized.

The Venezuelan social democrats of the Accion Democratica, for instance, admit that they were wrong in this respect, no matter how unhappy they are otherwise with the result of the election. These same Venezuelans, once the most ardent supporters of the revolt in Nicaragua, are now full of doubts about the developments in that country. There are many indications that what was once a general revolt against Somoza is moving in the Cuban direction, not just concerning external relations but also the country's internal structure.

Simplistic

The simplistic idea that one should always choose sides against the United States and in favor of the guerillas because that is automatically a choice for the people and social justice, has become untenable, at least for people willing to let the facts speak for themselves. The above-mentioned idea, explicitly formulated or not, was until now rather influential in the



Netherlands. Clear-cut black and white confrontations are appealing to us, especially in faraway countries where our views are not dimmed by a grey fog of well-known facts of daily realities.

Opposing simplistic views are also abundant: on this trip I ran into a few glaring examples. Dutch businessmen who settled in those countries are often leading protected lives, the horrible regimes are not bothering them much and sometimes providing them with a lot of conveniences. Some of them assured me that the horror stories are greatly exaggerated and that life is very pleasant for hard-working persons like themselves. Simultaneously, they continue to rail against the murders in the mountains and their unkempt, long-haired accomplices: Dutch journalists.

Whoever doubts America's disastrous influence in this part of the world should go to Haiti. There he should venture outside the walls around his hotel. It is a desperate and poor country, 80 percent unemployed and illiterate, a downtrodden and resigned population as compared to the Jamaicans on the neighboring island who remain proud although they are poor. Exploited by a repulsive regime which immediately suppresses every organized attempt by the people at improving their fate by way of a small party, a labor union, or a village initiative. Whoever raises his voice will be deported, imprisoned, tortured, or murdered. Whoever flees and survives the attempt winds up in a heavily guarded camp in Florida. This regime is completely dependent on the United States and is supported by the United States in every respect. The result is a nation like a prison where only one dissident voice is heard--Cuban radio broadcasts in the Haitian language.

#### Inbetween Course

Can there be a future somewhere in the middle between Haiti and Cuba? Are those nations doomed to live under an oligarchy supported by the army, with if necessary, informal death squads, and the United States in the background, or, as its only alternative, becoming a beleaguered military outpost of the East Bloc? Could there be a democratic course in between the two alternatives, even though both sides are doing all they can to eliminate that possibility?

To find that out was the main purpose of this trip. The invitation came from CLAT, a labor union which tries to follow this road down the middle in Latin America. In Venezuela we talked about it with leaders of that organization, prominent persons of other trade unions and the two largest parties, as well as representatives of the ministry of foreign affairs.

Venezuela could be a model--not an ideal model, but democracies are actually never perfect. The country is exceptional because of its recent oil wealth; for the time being it has not been conspicuously successful in establishing a just distribution. Nevertheless, a democratic party system has been functioning reasonably effectively over the last 25 years. It appears to have eliminated armed extremism from the left and the right.

For instance, could such a development also be possible in Guatemala? The military government there was probably the bloodiest all around. Many moderate leaders were murdered or eliminated. It appears that the communists are developing an ever stronger grip on the guerilla movement. Last month's coup has apparently bring little change in this situation. There was, undoubtedly, distinct relief because the new men in power came up with one important achievement: genocide in the city stopped. That they succeeded on such short notice proves after all the accuracy of Amnesty International's thesis that the murders did not occur beyond the government's sphere of influence but were directly connected with the government's policies.

Solving it is of course not yet a solution. Outside Guatemala City the civil war rages on, with poor villagers as victims. The very young officers who grabbed power appear to be army representatives first and foremost and there are few indications that they want to do things democratically. However, the country's Democrats try to derive courage from every little ray of hope: they are not in a position to shrugg things off, as we are inclined to do with our wisdom from a distance. They say that they do not really dare to hope but that there is little else they can do. The wife of a Christian Democratic party-leader says: "If they shoot my husband or my son I will also take to the mountains although I know that that type of action does not offer a solution."

On a flight from Guatemala, via El Salvador to Nicaragua one crosses the frontlines of a bloody international civil war but no visas are needed. A curious experience awaits us in Managua. A tug of war for our attention was in progress. On the one hand, the government authorities had arranged a full program for the day, but a labor union affiliated with our host UMW, on the other hand, had done the same.

For hours it looked as if we were going to waste the entire day on discussions about procedures, but a decision was finally reached and we made dates with prominent Sandinistas of the junta and the official labor union, as well as with people who had joined the fight against Somoza but are now opposing the government: the editor-in-chief of the famous LAPRENSA, now again censured as against the government, representatives of the CTN, and Archbishop Obando y Gutierrez.

The picture painted by the conversations was indeed alarming, not just because of the remarks of the opposing parties themselves, but perhaps more so because of the forthright way in which the Sandinistas talked about their political enemies. However, they called them counterrevolutionaries and enemies of the revolution.

Guatemala is not yet in the communist strait jacket but influential communist forces are rising to the top. They are being helped by positive and negative pressure of the Reagan government. There are also considerable opposing forces deserving of support.

## Pluriformity

To me it looks therefore like a big mistake to stop development assistance to Nicaragua. Such a gesture could only strengthen the escalation. We must continue our help but we must be sure who we are helping in this country. Moreover, we should have a good ambassador who should persistently advocate political pluriformity.

Maintaining a model of pluriformity is not only of great importance for Nicaragua, but for the entire region. If it succeeds here it could become a model for reform movements in other countries, and in the United States it could provide the doves with a clinching argument against the hawks who actually prefer dictators to something as dangerous and unreliable as democracy. If things go wrong and Nicaragua becomes a second Cuba, the reverse will happen: proponents of the big stick will once more be proven right and there will be even less room for democratic social reform in the future.

10319

CSO: 3105/69

## 'POLARIZATION' DEMANDS CLEARER PARTY VIEWS

PM181607 Amsterdam DE VOLKSKRANT in Dutch 13 May 82 p 3

[Editorial: "Polarization"]

[Text] The cabinet has completely collapsed in slow motion--its inability to reach a decision prevailed until its last breath. The adventure between the labor party [PVDA], which had great difficulty in accepting the slimming-down of the welfare state, and the Christian Democratic Appeal [CDA], which had little more than a Colijn-like [Colijn was former Dutch prime minister] program of cuts as an answer to the crisis, lasted almost a year and created little more than embitterment. It even seems likely that this state of affairs will be prolonged, unless there are radical changes in the approach of the parties.

The PVDA now faces the very difficult task of expanding and presenting its own alternatives for a crisis program, after the party's position has become blurred to the point of incomprehensibility in a series of unfortunate compromises which began with the formation of the government. Now the Dutch political life is tending toward further polarization in the wake of this crisis, it is of the greatest importance that the competing visions of the major parties are made as clear as possible--ideally before the second chamber elections.

The CDA--and this is clearer now than ever--derives its conservative profile from the dominant views of Van Agt and [finance minister] Van Der Stee. It is most surprising that Van Agt brought this crisis to a head against the wishes of various ministers, the CDA second chamber group leader, several group members and the party chairman. But no one dared to stand up to this openly. The popular leader acts as he thinks fit and drives the herd growling softly. At present the CDA is not a party of the center; its dominant course is parallel with that of the People's Party for Freedom and Democracy.

An interesting question is how Democrats '66 [D'66] will deal with this reinforced tendency toward polarization in the political spectrum. The D'66 ministers have followed--and not without some difficulty--Terlouw in surprising loyalty to the line of Van Agt and Van Der Stee. It is hardly likely that D'66 as a party containing many progressive people will be able to

adhere to that course for very long. And here it is undoubtedly an important consideration that D'66 would be invisible behind the CDA's broad back just as much as it was behind that of the PVDA in the past.

In the last few years D'66 have profited from a vagueness about what they actually stood for in the political center, but this is now turning into a major threat. More fundamental choices must be made than have been made by its unmasked leader in the Catshuis [seat of Netherlands Government]. It is to be hoped that D'66 will go on as a nonconformist, progressive group after it has clearly dissociated itself from some particular disappointing choices made during this short and shameful period.

CSO: 3105/179



## VPK CHAIRMAN WERNER DISCUSSES CAMPAIGN STRATEGY, 'FUND'

Stockholm SVENSKA DAGBLADET in Swedish 4 Apr 82 p 2

[Article by Ola Gummesson and Gunnar Andren]

[Text] What is the main issue in the election? To get rid of the nonsocialist government, of course, and gain a leftist majority, according to Lars Werner.

The VPK (Left Party Communists) leader does not hesitate to admit that this is VPK's chance to influence policies. Of course, it has been difficult for VPK to assert itself in a situation with a nonsocialist majority and a large Social Democratic Party in opposition.

In the 1982 campaign VPK wants to talk about domestic issues. If VPK opponents have their way, there will be more talk of Poland than of removing sales tax from food. VPK members themselves want to speak about sales tax, jobs, and sick benefits.

In other words, more "blue and gold" and less "red."

This is clear from Lars Werner's answer when asked what he considered important going into the election campaign.

"I would say that if the labor movement does not take to the offensive against the cynical nonsocialist policies so strongly dominated by the Conservative Party, we will never have a leftist majority in this country."

Werner is quick to point out that the 1979 campaign was the best for his party in the past 20 years. He is also optimistic going into this fall's election.

Werner was asked what demands VPK could conceivably make on the Social Democrats in return for supporting Olof Palme and a minority Social Democratic government.

"I do not believe that there will be any formal agreement. I have no illusions that a party with 45 to 46 percent would make any such agreements with a party that has 5 to 6 percent of the voters behind it. What we can do is push the Socialists toward the left."

"The question that must be asked if the Social Democrats and VPK together receive a majority this fall is: What will this leftist majority be used for?" Werner said--and answered himself:

"A return to the previous governmental policies of the Social Democrats, where the main thrust was cooperation with big business and which ended in election defeat in 1973 and 1976, is out of the question. That was a policy of defeat. We now need policies of a socialist nature."

"Verbally, at least, the Social Democrats have come closer to us and our concepts since 1976. It is difficult to say whether this is a true turnaround or not."

Werner was asked to give some examples.

"Well, several months ago when I said that the government consciously accepted and even created higher unemployment there was quite a stir. But now Kjell-Olof Feldt and others are standing up in parliament and saying the same thing, using even coarser expressions than I did."

"Another example is that the proposed qualifying days for sick benefits are being called legislation that discriminates on the basis of class."

"On a more fundamental level, there are some Social Democrats who now say publicly that the capitalist system is incapable of guaranteeing full employment."

Lars Werner was asked what concrete possibility he had of influencing a Social Democratic government.

"Of course, this depends mainly on our own strength, but when it comes to increasing employment, sharing the burden more equally, increasing housing construction, and creating perhaps 50 to 60 thousand new jobs for youth there is a good chance of influencing them through cooperation," Werner said.

He was also asked about tax policies.

"I am not sure we can have any influence there, since we disagree profoundly with the Social Democrats over their agreement with the middle parties. We want a completely different tax policy that would reduce indirect taxes such as sales tax, compared to the present tax policy."

"We would tear up the present tax agreement, since we believe it treats low-income earners unfairly and favors high-income earners with no deductions, i.e. those who already have it best. Now 10 percent of the tax payers share 2 billion in tax decreases, while 75 percent of the wage earners, those who earn least, share only 2 billion."

Werner pointed to what happened in parliament from 1971 to 1973, when the Social Democrats were dependent on VPK. That was a kind of heyday for his party.

"To be sure, I do not believe our influence on the defense policy of 1972 was as great as SVENSKA DAGBLADET likes to believe, but be that as it may . . . A more important achievement was convincing the Social Democrats to drop a poorly conceived tax proposal which included higher sales tax and, instead, to increase payroll taxes."

"It was impossible for us to accept an increase in the sales tax just as we were beginning our campaign against sales tax on food. Some Social Democrats understood this and I remember which ones they were."

One issue on which VPK and the Social Democrats disagree sharply has to do with municipal revenues.

"The Social Democratic proposal is not good, but at least they do not want to steal the municipalities' money as the nonsocialists do. They only want to tie up this money. On this issue, I believe we, along with many members of the Social Democratic Party, can turn that party in a better direction."

#### Fund Proposal Weak

What does VPK stand on the employee fund issue? Will the party support the Social Democrats' proposal?

"It is too early to say. We believe the Social Democratic proposal is a bad one."

Werner called the proposal "harmless." He believes it is so weak that even the Liberal Party, in the final analysis, may support parts of it:

"After all, the Liberal Party always wants 'moderation in politics.'"

Some aspects of the fund are taken for granted by VPK. One nonnegotiable point is that funds must be collective rather than individual. On the other hand, VPK wants money for the funds to come from corporate taxes.

Werner's main criticism of the Social Democratic proposal is that their reason for creating the funds has changed since the mid-seventies.

"At that time, in conjunction with high profits, the power and ownership of the workers was the main issue. Now the funds seem to have become primarily a source of capital for private industry. This aspect is now emphasized constantly."

"In its present form, the entire LO (Federation of Trade Unions)/SAP (Social Democratic Party) proposal is harmless, but some aspects of the system, if carried properly, could alter the balance of power. If, however, no conscious effort is made in this direction, the funds would offer no threat to the control the banks, credit institutions, and investment companies have over the economy."

"We are also critical on an entirely different point," the VPK leader added. "We do not want to create a system, an organization, that would inhibit the

work of the labor movement. This is an important point in evaluating how the LOUAF system would work in the future."

But if VPK must decide this fall between supporting a Social Democratic proposal and defeating it, with no funds at all as a result, what would VPK do?

"So much remains to be discussed that it is impossible to say today how we would vote in that situation, especially since the debate within the Social Democratic Party must be concluded and assume some concrete form."

9336

CSO: 3109/147

## RULING MADE ON LEGALITY OF CONFESSIONS

Istanbul CUMHURIYET in Turkish 5 Apr 82 pp 1, 11

[Text] Supreme Court of Military Appeals' Board of Jurisdictional Disputes overturns 7-year prison sentence given by Istanbul Martial Law Command Military Court to defendant who acknowledged his statement before arraignment judge at Security but denied it in court.

Ankara (CUMHURIYET)--The Supreme Court of Military Appeals' Board of Jurisdictional Disputes ruled that "for acceptance of the legal existence of a confession, it is necessary that even the making of it in the presence of the judge or prosecutor not be considered sufficient, but that it be made completely of one's free will and free of material and moral force and emolument."

The Supreme Court of Military Appeals' Board of Jurisdictional Disputes overturned unanimously the sentence of 7 years' imprisonment with hard labor given by the Istanbul Martial Law Command Third Military Court to Oven Goyluer who accepted the statement taken from him at security before the arraigning judge, but did not accept it in court. Oven Goyluer was convicted of being a member of the illegal Patriotic Revolutionary Youth Association and other crimes and sentenced to 7 years; this decision had been overturned by the Supreme Court of Military Appeals' fourth jurisdiction. The case file came to the Board of Jurisdictional Disputes when the court dissented from that decision.

The ruling given by the Board of Jurisdictional Disputes on the court's ruling said, "The defendant explained during trial that he had said in his statement to the arraigning judge that the police statement was true because the police had told him earlier, 'If you do not make the same statement to the judge, it will not be good for you,' and he was afraid of being tortured; in his trial statement, however, he denied all charges." The Board of Jurisdictional Disputes' ruling then says:

"Considering that questioning at the time of arrest is a hasty questioning done to inform the suspect of the crime and the reason for his arrest, it is unthinkable that it should constitute the basis for judgment in itself, as the suspect, to the extent that he may have been under some pressure from the beginning, may remain under its influence.



"In jurisprudence, for acceptance of the legal existence of a confession, it is necessary that even the making of it in the presence of the judge or prosecutor not be considered sufficient, but that it be made completely of one's free will and free of material and moral force and emolument. That the person who did not make a confession before the military prosecutor the same day should have made certain confessions to the arraigning judge and later should have denied the same confession indicates that he was in a state of anxiety and indecision.

"In examining the minutes of the site [of the crime] designation which also is taken as the basis for judgment, the indication is seen that they imply no finding whatever in connection with the alleged crime, that there is no mention of any evidence other than the entry on the suspect's showing the officers blank, quite unmarred walls, on one of which was seen a poster from which the words had been erased, and it is unthinkable also that this kind of blank paper, being illegible and therefore meaningless, should be accepted as evidence."

8349

CSO: 4654/277

## KUOPIO PUTTING WORLD WAR AIR RAID SHELTERS IN CONDITION

Helsinki HELSINGIN SANOMAT in Finnish 18 Apr 82 p 9

[Article by Martti Heikkinen: "Wartime Bomb Shelters For Recreational Use in Kuopio"]

[Text] Kuopio--In the near future the City of Kuopio will offer its residents additional facilities for pursuing hobbies and exercise in former bomb shelters. Air raid shelters in Kuopio have been used with good success for evening activities. The renovation of old wartime bomb shelters has now begun.

Kuopio has allocated 200,000 markkas in this year's budget for the commencement of renovation work on old bomb shelters. By 1987 five old bomb shelters should be ready for use as recreational and exercise facilities.

The renovation of bomb shelters to correspond with present-day demands will cost a full 2 million markkas. The funds have already been preliminarily set aside in the city's plans for the near future.

In the opinion of General Secretary Gunnar Ohman of the Finnish Organization of Air Raid Shelters the renovation of old bomb shelters begun in Kuopio is suitable as an example for other cities. In many places old bomb shelters have been completely forgotten even though they could be used for peacetime purposes as well as in a crisis.

"The bomb shelters carved into mountain sides before and during the last war are generally so small that they cannot be used for sheltering large numbers of people. But if they are renovated and equipped with air conditioning and heating, they are exceptionally suitable as recreational facilities for youth, for example," notes Ohman.

The Parliamentary Air Raid Shelter Committee, which will submit its report at the end of the year, also supports the renovation of old shelters. It is expected that the committee will propose that better use be made of these caves.

Even in Kuopio these wartime shelters have only become memories of the past and have hardly been touched since then. Municipal workers have in passing repaired doors and changed rusty locks at the mouths of caves.

## First Shelter Will Be Put Into Use in 1985

In the next few weeks the engineering office of the City of Kuopio will issue an invitation to tender bids for the renovation of the Savonkatu shelter. This nearly 2,000-square meter shelter, dug deep into the rock, is now being used as winter storage for trucks. The remainder of the opening, which oozes water from its walls, belongs primarily to the realm of the rats.

Juhani Toivanen, the air raid shelter chief of the City of Kuopio, states that the renovation and use of old wartime shelters has been planned for a long time. Only now can actual work begin since the city council has allocated the necessary funds.

In Kuopio in the years 1939--1944 there were eight general air raid shelters in use, of which a portion remained unfinished. Of these eight one is too small to be renovated and two others have been transferred to the ownership of the state.

"The Savonkatu shelter should be ready by 1985 and four other shelters by the beginning of the next decade. We are still not even certain as to how much the renovation of the shelters will actually cost. We must first begin. Even though we are offering facilities for peacetime use, this renovation will also be valuable in a crisis," states Toivanen.

The shelters will have to be equipped with modern air conditioning, the leaking walls will have to be lined with concrete, and the doors will have to be made to resist pressure and weight. The cave will be connected to Kuopio's municipal heating system, to which air raid shelters built in the last decade have also been connected.

## A Flood of Shelter Applications

The rescue and evacuation section of the Interior Ministry, which is responsible for air raid shelters, does not know how many bomb shelters have been renovated by local governments. Chief Engineer Tuukka Tarkka states that individual caves have been renovated here and there and connected to air raid shelters, but a systematic renovation is completely new.

"During the war there were only a few of these shelters in caves. The majority of the urban population sheltered themselves in the basements of buildings or in temporary shelters. After the war the cave shelters were pretty much forgotten: it is doubtful that anyone has set foot in them in years.

In Tarkka's opinion old caves would also be of considerable value in a present-day crisis if they are renovated. However, the renovation of bomb shelters as well as the construction of modern air raid shelters are pretty much dependent on state funding for local governments. And money for this is especially tight.

Chief Engineer Tarkka states that the rescue and evacuation section of the Interior Ministry is drowning in applications from local governments for the construction of air raid shelters with state support.

Since there is little money forthcoming from tight budgets, new shelters prescribed by law will not be constructed and old bomb shelters will remain as water-dripping caves. However, at the same time there is a crying need for recreational and exercise facilities.

CAPTION:

The City of Kuopio intends to renovate the nearly 2,000-square meter Savonkatu bomb shelter. In recent years the cave has been used as winter storage for trucks.

10576

CSO: 3107/107

## NEW TRANSALL FLIGHT SIMULATOR

Paris AVIATION MAGAZINE INTERNATIONAL in French 1-14 Apr 82 p 53

[Article: "Air Force Orders Simulator for New Transall Military Transport]

[Text] The air force has ordered a new Transall flight simulator from Thomson-CSF. It is scheduled to be in service by early 1984. This simulator is designed to train COTAM [Military Air Transport Command] crews for the 25 new Transalls ordered by the air force. It employs the latest simulation techniques developed by Thomson-CSF and will be capable of training a complete flightcrew: two pilots, a flight engineer, and a radar navigator.

The simulator is mounted on a 6-degree-of-freedom motion system with hydrostatic bearings, and has a visual system plus radar-derived imagery. This new training device has much greater training capabilities than the first Transall simulator which to date has logged more than 20,000 "flying hours" since being placed in service at Orleans in 1969. For example, dusk/night landing maneuver training will be possible thanks to a four-window visual presentation system derived from a computer-generated imaging system previously developed by Thomson-CSF for other military aircraft simulators. The builder has announced plans for adding a daylight visual display system for air refueling training.

The airborne radar's "weather" and "air-ground mapping" operating modes will also be available thanks to highly advanced digital technology employing a special high-speed CRP 24 computer developed by Thomson-CSF for avionics simulation.

The new simulator will have a fully digital-control self-diagnostic capability, an onboard instructor station equipped with two cathode ray tube displays, numerical and graphic, providing a variety of functions including "freeze," playback, and preprogrammed missions.

8041

CSO: 3100/586



## BRIEFS

LONGER TRAINING FOR ARMY UNITS--In a recent letter of instruction to the French Army, Defense Minister Charles Hernu asked General Jean Delaunay, the army chief of staff, to increase, beginning in 1983, the number of days army units conduct training with their regularly authorized individual and organizational equipment, weapons, and ammunition. Hernu requested that General Delaunay raise from 47 to an average of 50 days per year the number of days allotted to training and other activities during maneuvers or field exercises. In his letter of instruction, the defense minister said that during these field exercises he wanted to see more live firing of individual weapons as well as more subcaliber or simulated firing by armored and mechanized units. These days of training and activities with authorized equipment and ammunition will necessitate increased fuel and ammunition allowances. The estimated cost of these activities in the army for 1982 is 1.15 billion francs. Furthermore, these days are in addition to some 100 days, on an average, spent by combat units in off-post field training. As Hernu explained: "The point of military service is to train and form soldiers." [Text] [Paris LE MONDE in French 7 Apr 82 p 9] 8041

MORE DRAFTEES IN POLICE SERVICE--Defense Minister Charles Hernu has approved raising the number of auxiliary gendarmes from 5,500 to 7,500. These auxiliaries are actually draftees who serve in the national gendarmerie during their term of compulsory military service. The law establishing national service in the gendarmerie authorizes the minister of defense to assign to that police force a number of draftees not to exceed 10 percent of the gendarmerie's regular personnel strength (officers and NCO's). This 1982 strength is approximately 75,900 officers and NCO's, both men and women. To date, the gendarmerie has included 5,000 young draftees who are designated auxiliary gendarmes. In authorizing an additional 2,500 draftees to perform their compulsory military service in the gendarmerie, Hernu thereby expects to free a like number of regular gendarmes from certain tasks and reassign them, as of this summer, to security duties. [Text] [Paris LE MONDE in French 7 Apr 82 p 9] 8041

CSO: 3100/586

## ARMED FORCES FAIL TO FIND INTRUDING SUBMARINE

PM141509 Copenhagen BERLINGSKE TIDENDE in Danish 11 May 82 p 4

[Dispath by Trygve Monsen: "Fruitless Norwegian Submarine Hunt"]

[Text] Oslo--The Norwegian armed forces have once again launched a fruitless search for a foreign submarine in Norwegian waters. This time the alarm was raised in Vestfjorden near Narvik in northern Norway, where a periscope and a rotating radar scanner were observed from an aircraft.

In the course of the last 15 years there have been over 40 reports of foreign submarines in Norwegian waters. The Norwegian authorities take the reports seriously, particularly since 1972 when it was established with certainty that a foreign submarine had penetrated deep into Sognefjord in southern Norway. The episode involving the Soviet submarine in southern Sweden last year has also led to tightened surveillance of Norwegian waters.

The Norwegian armed forces deployed several aircraft and boats in the search after the suspected submarine immediately after the sighting on Friday evening [7 May]. However, no trace of a submarine was found, and by Monday the scale of the search had been significantly reduced. The Norwegian authorities know with certainty that no Norwegian or allied submarine was in Vestfjorden on Friday evening.

CSO: 3106/116

## WAR-SCIENCE ACADEMY SEES 'SERIOUS' LACK OF SECURITY RESEARCH

Stockholm SVENSKA DAGBLADET in Swedish 4 Apr 82 p 3

[Article by Axel Waldemarson]

[Text] "No one could ask Einar Gerhardsen to assume the leadership in defense and foreign policy. In these realms he was hardly even an amateur . . . " (Former party secretary Haakon Lie in "As I See It.")

In few countries is there such cocksureness on security policy issues as in Sweden. In no other country with a similar level of education do security policy and strategic issues have such a subordinate role at universities as in Sweden.

In the words of the Defense Research Study of 1981 (FFS 81): these questions have received "little interest at Swedish universities." This, the Royal Academy of Military Sciences (KKrVA) stated in a report, is "a correct statement and this circumstance has had such serious consequences for society and for the total defense that it deserves further clarification." This is precisely what KKrVA has done.

#### Know Best

Clearly, we are facing one of the all too many paradoxes in Swedish society. Both elected officials and others--not to mention all those who willingly sign all manner of petitions--are quick to reach conclusions in questions of security policy. In contrast to this cocksureness is our lack of resources for security policy analyses.

Often we know best, but perhaps we do not really know what we know.

#### Neutral Exception

Of course, it is easier to analyze the security policies of an open society than those of a practically closed society. We see such open societies to the west and south. The closed societies are to our east. Among the security policies chosen by the Nordic countries, Sweden is the neutral exception in the middle between East and West in Scandinavia.

This has often been stated, but it is not Sweden's only role. As Major General Claes Skoglund pointed out in a feature article in SVENSKA DAGBLADET, Sweden has another role as well. Our country faces the East: "In many respects the military situation is unalterable. Sweden is a Baltic Sea nation. What happens over there in the East will affect our fate."

#### Suitable in Umea?

The KKrVA analysis of FFS 81 contains many interesting ideas that are worth examining. How should the concept "security policy" be defined? Is systems analysis an infallible method? Is the proposed research institute at Umea University suitable? What is the best way to promote security policy research and education in Sweden?

Security policy is a broad area. It may deal with matters that are well understood at the Foreign Ministry or with others that are totally unknown to the diplomats. Practically every social function may be related to security policy during times of war.

A clear definition is unavoidable. FFS 81, however, is much too ambitious in its scope.

#### Irrational Element

Of course, security policy is a field in itself. The amount of factual information may be boundless. In some cases it is possible to make precise evaluations. In others, this is impossible.

In addition, security policy has one point in common with all policies: it is practiced by human beings and, therefore, has an irrational element that makes events so difficult to judge. There are many examples of how rational security policies have suffered defeat because the opposition acted irrationally.

Both FDA and FFS 81 have a high regard for applied mathematics in systems analysis. Mathematical results are the logical and objective foundations on which decisions should be made.

#### Cold Criticism

KKrVA is coldly critical of this concept. Fundamental elements in security policy seldom lend themselves to the measurements and calculations of systems analysis. The vulnerability of the Swedish society is also related to the thinking of the opposition, which always is unknown and difficult to determine. Thus, it is one thing to deal with security policy systematically and another to utilize systems analysis.

#### Of a Political Nature

The simple truth discovered by KKrVA, which is readily shared by those who have worked in politics for decades, is that since the judgments that must be made

are ultimately of a political nature, they hardly lend themselves to the methods of the proposed systems analysis. (Imagine using systems analysis to predict how a new government would act during its term of office.)

KKrVA is also sceptical of the proposed institute in Umea, to the extent that it wastes no time arguing, but simply dismisses the idea with a wave of the hand: "Making such a proposed institute the main item of a study on improving defense research seems, if we may say so, somewhat far-fetched."

#### Other Solutions

Having said this, KKrVA must have other solutions to point to, which it does. Let me point out several of its main concepts:

Security policy and strategic issues receive little interest at Swedish universities.

In the international policy curriculum, security policy issues receive little attention on reading lists and in courses offered.

The lack of personnel trained in security policy can hardly be alleviated if no effort is made to train students at the basic education level, i.e. younger researchers.

It must be our task to train a sufficient number of persons knowledgeable in security policy in the long run.

Thus, the university must assume a central role. KKrVA believes that FOA (Defense Research Institute) has a unique opportunity to help, since both technical military information that may be classified and political and geographical military knowledge are required. Thus, cooperation between the university and FOA could be fruitful.

#### In a Motion

Some members of parliament also sense that our knowledge is too limited. Three Social Democrats, Jan Bergqvist, Sture Ericson, and Birger Rosqvist, should be mentioned since, in a motion, they actually take up our insufficient knowledge of Eastern Europe. One reason for this is our rude awakening following the Soviet invasion of Afghanistan:

"Events in Afghanistan and Poland show that the international situation can take a serious turn for the worse. At such times it is important for Sweden to have knowledgeable persons who can help evaluate the political situation on the basis of their own research."

This is an excellent example. It stresses that we must not forget what is happening in the East in our haste to point out what we do not like about the



West.

Olof Palme probably thinks just as little as I do of one of the arguments presented in the motion:

"Research on classical antiquity receives 10 times as much support as research on Eastern Europe."

9336

CSO: 3109/147

## CNES INCREASES BUDGET; STRESSES RESEARCH, COOPERATION

Paris AFP SCIENCES in French 18 Feb 82 pp 14-17

[Unsigned article]

[Text] Paris--The National Center for Space Studies (CNES) has just published its budget and programs for 1982.

This budget amounts to 3,098.503 million francs TTC compared to 2,607.503 in 1981, an 18.7 percent increase. Resources include 553.018 million francs in subsidies from the Ministry of Research (1,677.480 last year) and 399.900 million francs in subsidies from other ministries (334.000 in 1981) broken down as follows:

Defense	223.50
PTT	137.20
Agriculture	3.00
Environment	3.00
DATAR (Delegation for Territorial Development and Regional Action)	4.40
Industry	4.40
Transportation	4.40
Research	17.00
TOM-DOM (Overseas Territories and Departments) secretariat	3.00

The total government subsidy therefore amounts to 2,545.485 million francs, of which 2,218.370 million francs go to program authorizations, and 327.115 million francs to operational subsidies.

The CNES council, which has voted support credits for export activities, has broadly outlined major CNES goals:

Consolidate France's position in the major applications fields by "developing a strong space industry and increasing our international market penetration in the area of launchers and ground equipment."

Prepare France by stressing its research with special attention to changes likely to have profound impact on space systems in the years 1990-2000.

Participate in world research.

Maintain European solidarity, tighten cooperation bonds with developing nations.

(A) Par catégories de programmes d'action				(B) Par types de moyens			
(D)	Montant 1982	1982	1981		Montant 1982	1982	1981
Programme européen	951,5500	32,20	11,70	Lanceurs	290,100	9,83	10,70
Programmes bilatéraux	575,050	16,10	19,90	Satellites	1 245,070	42,36	51,75
				Véhicules optiques (SPACELAB)	66,100	1,56	2,45
				Balises	15,600	0,53	0,40
Programme National	620,650	21,30	13,00	Expériences scientifiques	100,000	3,60	3,50
				Expériences et systèmes d'application (4)	65,330	1,53	1,27
Recherche et développement	95,050	3,20	2,30	Recherche et développement	95,050	3,22	2,26
Support fonctionnel des programmes	802,553	27,20	27,00	Support fonctionnel des programmes	1 107,503	37,19	30,62
				( CMES : 805,553 (5) ) ( ASE : 301,950 )			
TOTAL	2 953,853 (2)	100 (3)	100 (3)		2 953,853 (2)	100 (3)	100 (3)

- (1) Y compris contribution française au financement du C.S.G.  
(2) Chiffres correspondant au budget réel 1981 du CNES, c'est-à-dire abstraction faite du financement reversé par l'A.S.E. pour le fonctionnement du Centre de KOUROU.  
(3) Pourcentages établis à partir du budget réel.  
(4) Notamment systèmes embarqués sur satellites étrangers (ARGOS, SARGOS, LASSO, ...).  
(5) Y compris la participation à la société SPOT - IMAGES et ARIANESPACE.

(en M€ B1)

(C) Par catégories d'objectifs			
	Montant 1982	1982	1981
<u>Sciences :</u>	<u>290,200</u>	<u>10,11</u>	<u>11,60</u>
<u>Applications dont :</u>	<u>1 453,100</u>	<u>49,20</u>	<u>56,06</u>
- Télécommunications	595,600	16,70	23,33
- Météorologie	25,100	0,66	0,87
- Observation de la terre	601,950	20,36	12,50
- Développement des moyens de lancement	290,100	9,83	10,70
- Collecte des données	37,150	1,26	1,00
- Diverses applications	3,200	0,11	0,00
<u>Recherche et développement :</u>	<u>95,050</u>	<u>3,22</u>	<u>2,26</u>
<u>Support fonctionnel des programmes :</u>	<u>1 106,803</u>	<u>37,17</u>	<u>30,00</u>
	2 953,853 (2)	100 (3)	100 (3)

CNES Budget  
Allocation of Fund Commitments--in MF  
(State Subsidies and Self-Funding)

Key:

A. By Program Category

European program  
Bilateral programs  
National program  
Research and development  
Operational support for programs

B. By Type of Means

Launchers  
Satellites  
Space vehicles (SPACELAB)  
Balloons  
Scientific experiments  
Applications tests and systems  
Research and development  
Operational support for programs  
CNES  
ASE (ESA)

C. By Type of Objective

Sciences  
Applications:  
Telecommunications  
Meteorology  
Earth observation  
Launch systems development  
Data collection  
Miscellaneous applications  
Research and development  
Operational support for programs

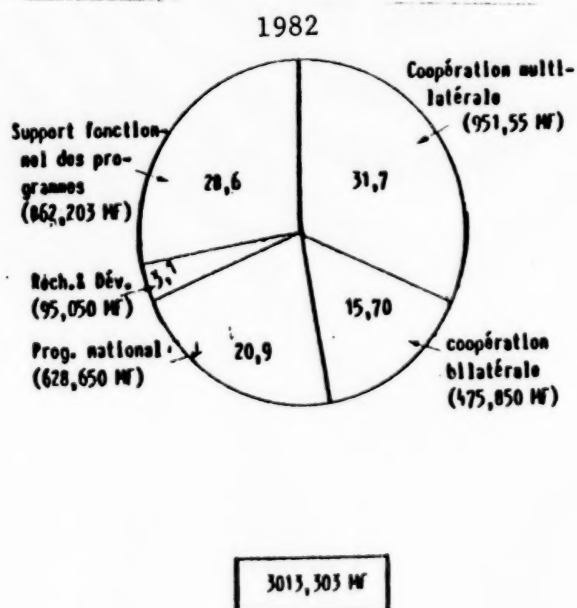
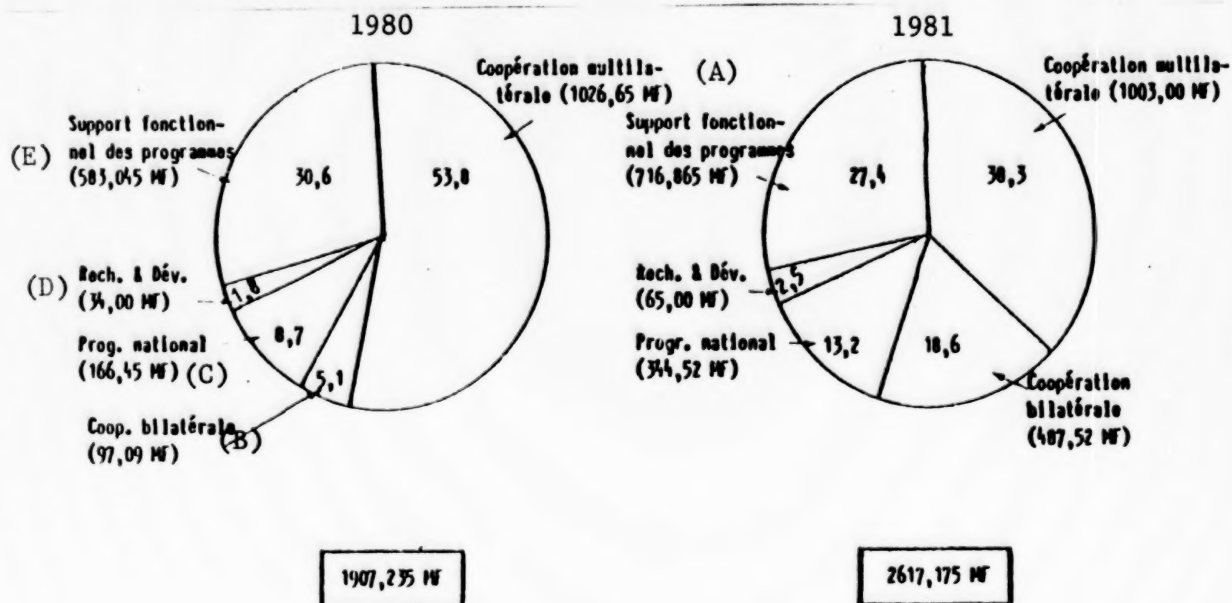
D. Amount 1982

- (1) Including French contribution to CSG (Guyana Space Center) financing.
- (2) Figures correspond to real 1981 CNES budget, that is, excluding reversed ESA financing for operation of Kourou center.
- (3) Percentages based on real budget.
- (4) Particularly systems carried on foreign satellites (Argos, Sargos, Lasso).
- (5) Includes participation in SPOT -IMAGES and ARIANESPACE.

The CNES budget (subsidies and self-financing) breaks down into five major categories. The charts shown here trace the history of these five categories since 1980 (current MF).

Key:

- A. Multilateral cooperation
- B. Bilateral cooperation
- C. National program
- D. Research and development
- E. Operational support for programs





# REPARTITION DES ACTIONS DE COOPERATION BILATERALE

Pays ou (A) organismes concernés	Nature des actions (B)	Expériences scien- tifiques (y compris SPACELAB) (C)	Premier Vol Habité (D)
U.S.A. (F)		13,195	-
U.R.S.S. (G)		44,100	14,000
A.S.E. (H)		17,845	-
R.F.A. (I)		0,365	-
Autres pays (J)		11,295	-
TOTAL		86,800	14,000

Programmes d'applications (E)	TOTAL
37,150 (1)	50,345
-	58,100
0,200	18,045
334,700 (2)	335,065
3,000	14,295
375,050	475,850

(1) dont ARGOS (14,100 MF), SARGOS (5,450 MF) et ARGOS/SARGOS complémentaire (17,600 MF)

(2) dont SYMPHONIE (2,500 MF) et TV Directe (332,200 MF dont 218,200 MF provenant de TDF).

## Breakdown of Bilateral Cooperation Programs

### Key:

- A. Country or agency involved
  - B. Nature of program
  - C. Scientific experiments (SPACELAB included)
  - D. First manned flight
  - E. Applications programs
  - F. USA
  - G. USSR
  - H. ESA
  - I. FRG
  - J. Other countries
- 
- (1) Including ARGOS (14.100 MF), SARGOS (5.450 MF) and additional ARGOS/SARGOS (17.600 MF)
  - (2) Including SYMPHONIE (2.500 MF) and Direct TV (332.200 MF of which 218.200 MF comes from TDF)

11,023

CSO: 3100/503

END

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**DATE FILMED**

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